

**REPORT OF THE THIRTY-THIRD MEETING OF
THE COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND
ADMINISTRATIONS**
(Lami, Fiji 5-7 November 2003)

**SUMMARY OF PROCEEDINGS
OPENING/ADMINISTRATIVE MATTERS**

Official Opening

1. The opening of the thirty-third meeting of the Committee of Representatives of Governments and Administrations (CRGA 33) took place at the Tradewinds Convention Centre in Lami, Suva, Fiji Islands, on Wednesday, 5 November 2003.
2. The Representative of Tonga gave the opening prayer.
3. The Chairperson, the Representative of Tokelau, declared the meeting open.
4. The Representative of Fiji Islands, Permanent Secretary for Foreign Affairs, gave an opening address. He extended a very warm welcome to all delegates, observers and CROP members, and to the SPC Director-General, her Executive Team and her staff. He expressed his government's appreciation for the dedicated work of SPC and in particular for the valued collaboration with the Suva-based Senior Deputy Director-General and Fiji-based SPC programmes. He acknowledged the commitment of SPC to fulfil its mandate in responding to the needs of the region and stressed that SPC also needed full commitment and consolidated guidance from its members. He stressed that Fiji Islands had experienced some difficulties of late, which had affected its timely delivery of the Pacific Village. In this respect, he informed the Committee that his government remained committed to seeing this project come to completion, and that FJD 750,000 had been set aside for groundbreaking work to begin in earnest next year. Negotiations are in progress with donors, with a view to identifying the remaining FJD 39 million. The project is estimated to be completed by 2006. He noted that there were a number items of importance on the agenda of this meeting, in particular those relating to the presentations and discussions on SPC's sectoral programmes, the formula for assessed contributions by members, and the Review of CROP Remuneration Arrangements. In conclusion, he wished the meeting fruitful deliberations.
5. On behalf of the meeting, the Chairperson acknowledged with appreciation the warm hospitality extended by the Government of Fiji Islands and the excellent meeting arrangements, noting the excellent work done by SPC.

Adoption of Agenda

6. The Committee adopted its agenda.

Election of Drafting Committee

7. In accordance with the rules of procedure, the Vice Chairperson (Tonga) was elected Chairperson of the Drafting Committee, which comprised Representatives of Australia, France, Marshall Islands, Papua New Guinea, Samoa, Tokelau, and Wallis and Futuna.

Hours of Work

8. The Committee adopted its hours of work as follows:

8.30-10.00:	session
10.00-10.30:	morning tea
10.30-noon:	session
noon-1.30:	lunch
1.30-3.00:	session
3.00-3.30:	tea break
3.30-5.30:	session

AGENDA ITEM 1 – DIRECTOR-GENERAL’S REPORTS

9. Before starting on the agenda, the Director-General paid tribute to the late Savenaca Siwatibau, as a man of honour and integrity, who loved his family and his people of Fiji, a true statesman with a longstanding interest and involvement in SPC and who truly cared about all the people of the region. The meeting observed a minute of silence in memory of this outstanding man who gave so much of himself to the region.

10. The Director-General then welcomed all participants to this meeting and expressed SPC’s appreciation to the Government of Fiji Islands for the warm hospitality accorded to the Secretariat and member delegations since their arrival. She then provided an overview of the work and achievements of SPC over the past year. She noted that there were no issues from last year’s CRGA that required follow-up this year, as last year’s meeting focused largely on programme strategic plans presented by the Secretariat. In addition, that meeting had dealt with administrative issues quite effectively. In addition to the regular important policy and administrative issues relating to SPC’s work programme and to financial and administrative matters, she drew attention to those items on the agenda that are of particular importance and interest to members, the programme presentations and discussions, the assessed contributions formula and arrears, the CROP remuneration review and her own performance evaluation. She stressed that the organisational changes that have been implemented in recent years have, in her view, made SPC stronger and more relevant, and that it is living up to its reputation as a very open, transparent and “well-greased machine”. She remarked that SPC is guided by clear policies and systems that are continuously being refined, with very qualified and committed staff. She noted that 2003 had been particularly productive, as the directions set out in the new Corporate Plan and the various programme strategic plans had been a valuable guiding force and greatly facilitated performance appraisal. The various documents provided to CRGA, in particular the progress report on implementation of the corporate strategies and the divisional presentations, all provide a good

summary of some of the achievements against the corporate objectives. The Director-General stressed that SPC continues to place great emphasis on human resource development (HRD) and capacity building in the region. While remaining focused on training, SPC is also placing greater emphasis on the policy role it plays in its areas of competence and sectoral interest, in close collaboration with other organisations in the region. In the area of improving communication and collaboration with stakeholders, she highlighted the appointment of the new Communication Officer and the production of the new *Guide to SPC Services* explaining how SPC services can be accessed by members. She invited members to provide feedback on the draft *Guide to SPC Services* to the Communication Officer in the course of the meeting, before the document is finalised. In terms of Corporate Strategy, the Director-General highlighted the positive developments that have taken place in helping to operationalise the Millenium Development Goals in the Pacific and SPC's commitment to this area. The Director-General then provided a comprehensive summary of programme and corporate developments and achievements over the past year. The full text of her presentation is attached to this report. The Director-General concluded by saying that, even though there will always be room for improvement, it has been a fruitful and productive year for the organisation. She drew the meeting's attention to the report on her self-evaluation in terms of performance this year, stressing that she believed the achievement against objectives she set earlier in the year had come up reasonably well. Finally, she indicated that she was seeking a third and final term as Director-General of SPC. She said that it had been an honour and a pleasure being a part of the positive developments at SPC in recent years, in making the organisation more efficient and effective in serving the changing needs of the region. She also believed that she could continue to contribute positively to strengthening SPC, and thanked all members for their continuing support to the organisation.

11. The Chairperson noted the relevance of the report, and observed that the Director-General was seeking another term of appointment, and that this was an important matter for members to consider.

12. The Representative of New Zealand commended the Director-General for a very thorough and informative report.

AGENDA ITEM 2 - SPC'S SECTORAL PROGRAMMES

(Full texts of the divisional presentations, together with the MS Powerpoint presentations, are available on the companion CD-Rom to this report.)

2.1 Marine Resources Division

13. The Director of the Marine Resources Division (MRD) gave an overview of the Division's structure and work programme. He highlighted the Division's three primary programmes: the Coastal Fisheries Programme (CFP), Oceanic Fisheries Programme (OFP), and the Regional Maritime Programme (RMP). He explained that although the three programmes addressed diverse issues, all of the Division's work had a dual focus: building national capacity, and maintaining and strengthening regional capacity. He made reference to upcoming presentations that would focus on reviews that had been undertaken of CFP and RMP, and then presented additional detail regarding the work of OFP. In addition to outlining the various services that OFP provides to member PICTs, he gave a brief overview of the status of the primary tuna stocks. He indicated that skipjack tuna stocks continue to be in good condition, with the 1.2 million tonne catch believed to be at a sustainable level. He indicated that albacore catch levels were also sustainable, but that declines in catch rates were being experienced in some areas, and stated that additional data were being collected to enable a better assessment of the causes of these local declines. He stated that yellowfin tuna stocks were close to being fully exploited, saying that OFP's current recommendation was that there should be no increase in exploitation of juvenile yellowfin stocks. Finally, he observed that bigeye tuna were currently being fished at levels that would lead to overfishing if the over-average recruitment of the past decade was not sustained in the future, but stressed that there was a high level of uncertainty in this assessment. However, he suggested that there should be no increases in bigeye fishing mortality, and that a reduction should be considered. He mentioned two priorities for OFP: getting better information on tuna stocks that are fished internationally (particularly in Indonesian and Philippine waters), and implementing additional tuna tagging activities.

14. The Representative of France expressed his appreciation to the Director of Marine Resources for his presentation, and stated that the positive impact of MRD's work could be clearly seen in all PICTs. He indicated that OFP had already contributed significantly to the work of the future Western-Central Pacific Fisheries Commission. He stated that in the Commission's preparatory meeting (PrepCon) held in October 2003 in Rarotonga, all members indicated that OFP's scientific expertise should be utilised in setting up the Fisheries Commission. He said that France hoped that the cooperation between OFP and the Fisheries Commission would continue after the interim period while the Commission was established, and welcomed the effectiveness of ongoing cooperation between OFP and the Forum Fisheries Agency (FFA). He would have appreciated a more detailed breakdown of donor contributions to MRD and, in this regard, highlighted the extensive support that was currently being provided by the European Union.

15. The Representative of Fiji Islands first commended the Director-General's report, and agreed with France. He commended the Director of Marine Resources for his excellent report, and highlighted the work MRD does in conjunction with the FFA. He applauded RMP's success in helping member states achieve international maritime "White List" status. He noted the outcomes of the CFP review, and stressed the importance of implementing the recommendations therein. He indicated that local industries have benefited from the work undertaken by SPC, particularly in the areas of research, training and capacity building. In the case of Fiji, its marine sector policies (as reflected in the National Strategic Development Plan 2003-2005) supports the sustainable utilisation of marine resources (both inshore and offshore). The policies and work undertaken to develop institutional capacity are consistent with the recommendations of the two programmes (OFP and CFP). He noted that other initiatives, such as the Tuna Management Plan, recognise the importance of enforcing compliance among industry players relative to international standards. He also observed that training

and capacity building among small-scale fishermen are consistent with regional efforts to develop fisheries as a means to sustain the livelihood of Pacific Islanders.

16. The Representative of Australia stated that his country was pleased by the fact that MRD was responsive to changing circumstances in the region. He indicated that while Australia certainly saw the potential for OFP to provide services to the future Fisheries Commission, the issue of who would pay for these services was an important one, noting that OFP's work was now fully funded by donors, for the benefit of island members. He observed that the Fisheries Commission would have a different agenda to that of SPC members. He also said that overlaps exist between the work of MRD and that of other regional organisations, and suggested that there should be a strategic approach to their cooperation and that appropriate and effective lines of communication are in place.

17. The Representative of American Samoa commended the Director of Marine Resources on his report. He observed that the declining size of the American purse-seining fleet, the increased reliance of American Samoa's tuna cannery on imported tuna, and declining size of skipjack being caught by vessels fishing out of Pago Pago all appeared to suggest a decline in skipjack tuna stocks, which was at odds with the observations that the Director had made.

18. The Director of Marine Resources suggested that the declining size of the fleet was possibly due to economic rather than resource factors, and asked SPC's Head of Oceanic Fisheries to comment. The Head of Oceanic Fisheries concurred with the Director, stating that OFP saw no indications of a decline in the size of skipjack tuna that would indicate real pressure on stocks, and observed that the decline in the number of vessels in the American fleet was due to economic factors.

19. The Representative of Solomon Islands expressed his thanks to the Chairperson, to SPC and to the government of Fiji Islands, and extended greetings from the government and people of Solomon Islands. He thanked the Director of Marine Resources for his presentation, and observed that fisheries were a very important industry for his country. He posed several questions to the Director:

- a. To what extent do countries access and make use of the services of MRD?
- b. How does SPC ensure that MRD goals are compatible with country needs?
- c. What is the comparative advantage of having MRD located within SPC, in place of within another organisation?

20. The Director of Marine Resources responded to each question in turn. Regarding the first question (To what extent do countries access and make use of the services of MRD?) he stated that MRD's work was currently in two areas: regional work that benefits all countries, and country-specific work. He stated that it was currently possible to access information on SPC's website indicating the activities that staff were (and had been) involved in, and said that MRD was developing a listing that would indicate the various MRD projects that were being implemented in each member country. Regarding the second question (How does SPC ensure that MRD goals are compatible with country needs?), he stated that the Division's current goals had been set through a comprehensive strategic planning process, which was undertaken in 2002, with input from a variety of stakeholders. With reference to the representative's third question (What is the comparative advantage of having MRD located within SPC, in place of within another organisation?), the Director stated that this issue was currently under review. He indicated that discussions were ongoing regarding the role of OFP, FFA, and the future Fisheries Commission, and said that through this process the specific activities of each organisation would be determined.

21. The Representative of Niue, speaking for the first time, extended her appreciation for the CRGA and Conference arrangements and the hospitality extended by the government of Fiji Islands. She stated that her country had taken full advantage of the services offered by all of MRD's programmes. She made reference to recommendations 12 and 13 of the CFP review (Working Paper 2.1, Annex 8), and inquired how SPC intended to improve its working relationships with other CROP agencies, as suggested by these recommendations.

22. The Director of Marine Resources observed that this might be best addressed through the CROP process. He also stated that SPC's very successful cooperation with FFA was based on specific technical agreements, indicating that such agreements might be necessary between SPC and other CROP agencies as well. He suggested, for instance, that a specific MOU could be established between collaborative CROP agencies at the operational level.

23. The Representative of Samoa indicated that his country placed a high value on the work undertaken by MRD, and observed that the information the Division provides is very important for PICTs. He said that while in the past he had believed that OFP's outputs were underutilised, he thought that the future Fisheries Commission would be able to make good use of OFP's expertise, and stated that Samoa supported an arrangement by which OFP assisted the Commission, at least on an interim basis. He inquired if it had been formally decided that OFP would provide services to the Commission, and indicated that he believed the issue of cost-recovery was important.

24. The Head of Oceanic Fisheries indicated that the issue had been discussed at the prior PrepCon meeting, and stated OFP had been requested to provide services to the Commission during its establishment, and for an interim period (possibly three years) after this. He said that the services requested by the Commission were largely the same as those already being undertaken for member PICTs, and that providing these would thus be very cost-effective. He stated that the Commission might well have other requirements that would require additional work on the part of OFP, and said that funding arrangements for such work would have to be discussed. He stated that the issue of interim cooperation with the Commission was first discussed at the 2001 Heads of Fisheries (HOF) meeting, and that the 2001 CRGA approved HOF's recommendation that this cooperation be undertaken, with the following provisos:

- That any work for the Commission not be to the detriment of OFP's other activities; and
- That any additional activities (not currently carried out by OFP) be paid for by the Commission on a user-pays basis.

He stated that OFP was committed to expanding services to members, and said that if OFP's regional role were expanded it would also allow the organisation to better serve individual countries.

25. The Representative of Wallis and Futuna commended the work of MRD in his country, and stated that Wallis and Futuna acknowledged MRD's inputs, particularly in the areas of training of trainers, and capacity-building in the area of community marine resource management. He emphasised his Territory's participation in the preparatory meetings for the Western and Central Pacific Fisheries Commission. In this regard, he supported the comments by the Representative of France in favour of partnerships, such as that between FFA and OFP. He indicated his view that sound scientific input would help members make informed decisions about management of marine resources.

26. Mr Tim Wilson presented the findings of the Regional Maritime Programme review. He noted that the RMP team had performed quite well with regards to responding to country needs, noting that staff had a very good understanding and awareness of the various issues and challenges facing the region with regards to maritime matters. He also noted the success RMP had in attracting donor funding of 3.9 million Fiji dollars. He presented several recommendations regarding areas where RMP needed to continue and expand its efforts. These include:

- The need for RMP to initiate strategies to enhance better understanding of the issues in the maritime sector at the political level.
- The need to ensure ports operations and security in PICTs comply with the new "IMO International Ship and Port Facility Security Code" before its coming into effect on 1 July 2004. This will ensure International Ship Operators can still continue to operate in Pacific Ports.
- The need to ensure a continued presence of Maritime Legal expertise in the programme.
- The need for an overarching Maritime Policy to guide "national Policy development in the Maritime Sector".
- The need for longer term funding for long-term effective change in the sector.

27. The Representative of Palau thanked the Director of MRD for his presentation, and said he endorsed the continuation of the Regional Maritime Programme. He asked whether seafarers working on commercial fishing needed to be certified.

28. Mr Wilson said that to date, no certification was required.

29. The Senior Deputy Director-General explained that the Regional Maritime Programme had originally been a part of the Pacific Islands Forum Secretariat, but that in 1997 it was handed over to SPC as a “sunset programme”. He pointed out that RMP had a very high work output and was quite focused. He noted that this was brought out by the review, and observed that the review had also highlighted important gaps in the maritime sector. He explained that the New Zealand government had funded the training component of RMP, and that the legal portion of the programme was funded primarily by the Secretariat through its core budget. He also noted the important contributions from AusAID, DFID, Taiwan/Republic of China, and Japan, as well the International Maritime Organization and the Commonwealth Secretariat. He said that DFID funding was coming to a close, and that RMP would then be dependent on New Zealand and SPC’s core budget for funding. He said that the Secretariat was still considering the recommendations of the review.

30. The Representative of the United States, remarking on the issue of security, said that he welcomed the news that SPC will address this as a priority. He said that the consequences from accidents or terrorism were very serious, and that this was not only of concern to the United States, but was also raised as a concern at the recent meeting of APEC leaders.

31. The Representative of New Zealand congratulated the Director of MRD and the Head of Oceanic Fisheries on MRD’s achievements. She noted that New Zealand and SPC were now moving towards a programme-based approach, which would provide a better support base.

32. The Representative of the Marshall Islands commended and expressed his country’s appreciation for the recent work and achievement that was carried out by the Regional Maritime Programme in the Marshall Islands. He further indicated that the Regional Maritime Programme had recently conducted workshops in Majuro to ensure that the Marshall Islands meets the international safety regulations and other international operational standards. His country has greatly benefited from assistance provided by the Programme and he said he supported the request from Palau for the continuation of the Programme.

33. The Representative of Tuvalu extended his country’s thanks for the presentation on MRD. He stated that his country benefits from all MRD programmes, and that he supported the continuation of these programmes. He noted that Tuvalu had an active maritime training school, and expressed interest in having RMP continue its activities in the region. He also expressed his hope that the fisheries programmes would be more nationally oriented, focusing on national capacity building. He stressed the need for the transfer of technical, scientific and management expertise to local counterparts in all areas of fisheries programmes targeted at the national level.

Review of SPC Coastal Fisheries Programme

34. Ian Cartwright presented the Coastal Fisheries Programme (CFP) review carried out in 2003 by a team of independent consultants, consisting of himself, Bob Gillett, Esaroma Ledua and Garry Preston. The review addressed the work carried out by the different sections that make up the Coastal Fisheries Programme. The review report was presented, together with the Secretariat's preliminary response, to the Third SPC Heads of Fisheries Meeting. The review commended the high quality, appropriateness, and timeliness of CFP's outputs. The review found approaches to capacity building were generally appropriate but the consultants noted a lack of capacity to develop and implement strategies. The review found that planning for sustainability was considered effective but that there was a need for more follow-up. Overall, CFP was considered to be very effective, with all six sections making good progress to meet their objectives. The report also contained recommendations on directing the work programme more closely towards the changing needs of member countries.

These recommendations related mostly to:

- greater CFP focus on fisheries management assistance,
- the capability to undertake economic assessments,
- the establishment of closer links and communications with countries,
- increased coordination of CFP services,
- spearheading cooperation with environmental agencies,
- clearer understanding of roles and responsibilities,
- increased documentation of "lessons learned",
- information flow analysis,
- the need for capacity needs analysis,
- the need for increased cooperation and communication with USP,
- the review of post-harvest assistance, and
- a new CFP objective relating to a long-term vision for the sustainable development and management of coastal resources.

35. SPC's Director of Marine Resources thanked the consultants for their work and remarked that SPC had asked for a critical review. He said that the review had been considered at the recent Heads of Fisheries meeting. Following consideration at that meeting, almost all the suggestions have been taken on board by the Division and are being acted upon. The Secretariat had been asked by member country and territory fisheries representatives to report to the next Heads of Fisheries Meeting on progress with implementing agreed changes.

36. The Representative of Samoa inquired which of the review's recommendations was not endorsed by the Heads of Fisheries meeting. The Director of Marine Resources said that the only recommendation not endorsed was the recommendation for analysis of web-based information systems, which was felt to be too obvious to need an in-depth analysis.

37. The Representative of Niue thanked the MRD staff and Mr Cartwright for the presentation. She then asked where SPC drew the boundary between oceanic fisheries and coastal fisheries. He said that Niue faced this question when trying to work out the boundaries for its international waters project. The Director of Marine Resources replied that SPC did not have this problem, as SPC's Oceanic Fisheries Programme focused on the science of oceanic fisheries and tuna, whereas the Coastal Fisheries Programme focused on training and development activities. He agreed that the boundary between coastal and oceanic fisheries within the International Waters Project context was difficult to define. He noted that the issue was discussed in the context of the GEF project, and that other CROP agencies were also considering this issue. He added that SPC and other CROP agencies did not see themselves as working in mutually exclusive areas, but rather sought to identify one agency to take the lead in a particular area.

38. The Representative of the Marshall Islands congratulated the Director of Marine Resources on his presentation. He expressed concern about the state of tuna stocks, as reported in the annual stock statistics. He noted that, although previously, SPC had reported that tuna stocks were healthy, this year the yellowfin tuna stock was reported as being less healthy. He asked how SPC was addressing threats to tuna stocks, and how quickly SPC would respond. He also made reference to cooperation with Indonesia and the Philippines. The Director of Marine Resources noted that SPC's statements on tuna stocks are based on the assessments of the Standing Committee on Tuna and Billfish (SCTB). These reports have not always been entirely positive with respect to stock status, and the Director noted tuna stocks show variations due to environmental factors as well as fishing pressure. He said that problems appear to be emerging this year, and noted SPC will continue to monitor and assess the situation. He said it was the responsibility of individual countries to take action and to work together through the Forum Fisheries Committee. He added that SPC would continue to try to obtain statistics from Indonesia and the Philippines.

39. The Representative of Tokelau expressed gratitude for the warm welcome and support given to her delegation by the Fiji government, and thanked SPC for all its support. She also expressed appreciation for the work of SPC's Regional Maritime Programme, the Reef Fisheries Observatory and the PROCFish project, and also the Coastal Fisheries Programme, especially the FAD work. While acknowledging OFP's assistance on tuna management, she remarked that government leaders needed more information on stock assessment, particularly of tuna, in order to make effective decisions. She noted that Tokelau needed further training in the area of tuna statistics. In regard to aquaculture, she noted Tokelau's interest in pearl culture and clam farming. With these industries developing, Tokelau is concerned about the risk of introduction of exotic pests. She expressed appreciation for the Fisheries Development Programme and looked forward to SPC conducting a feasibility study on Tokelau's Ika Project. She mentioned Tokelau's full support for the training component of the Fisheries Management Programme, and re-emphasised Tokelau's interest in PROCFish Phase 2.

40. The Representative of Solomon Islands thanked the review team and congratulated Mr Cartwright on his presentation. He expressed appreciation for the opportunity to re-examine the role and effectiveness of CFP, and consider new initiatives. He agreed with the review's concern regarding the vulnerability of coastal fisheries, and also agreed that there was a need for CFP to interface with other agencies, particularly with respect to environmental issues. He endorsed CFP's new practical focus on fisheries development and management. His only concern, was the capability of the Secretariat and the programme itself to accommodate all the recommendations of the review, and in particular the refocusing of CFP in the area of management. In response, the Director of Marine Resources said that it was too early for SPC to provide a comprehensive response to all the review's recommendations. He said that the Heads of Fisheries meeting had asked SPC to report back to their next meeting on the response to the review, and after this SPC will be able to report back to the following CRGA. He said that the change of emphasis from development to management had not been difficult, and was simply a matter of reorienting existing programmes. He added that, in the past there had been pressure from countries to consider development as the top priority, and that he was glad to be able to put more emphasis on management. In regard to SPC's capability to take up this expanded focus, he said that the Commonwealth Secretariat has already expressed its interest to support this new emphasis.

41. The Representative of Tonga reported that her country wished to extend to the Director-General and her staff a deep appreciation for the assistance received. She applauded the presentations by Mr Cartwright, as well as the ones by the Director of MRD and his team. She endorsed the need for assistance in the development of coastal fisheries management strategies, particularly to ensure sustainability. She highlighted the need for SPC to focus more on the training of trainers, and on additional counterpart training. She took the opportunity to thank the Fiji government and SPC for the excellent meeting arrangements.

42. The Chairperson of the Third Heads of Fisheries Meeting, the Representative of Nauru, Anton Jimwereiy, presented the outcomes of HoF3, held in Noumea in August. The report is annexed to Paper 2.1, divisional presentation on marine resources. The Chairperson of HoF3 noted that the Heads of Fisheries meetings generally have a positive impact on SPC's marine resources programmes. He noted that HoF3 agreed that both CFP and OFP were on the right track and that the region could be proud of their work. HoF3 had made a number of recommendations to keep them on track, the major ones being:

- Endorsement of the SCTB recommendation and emphasis on caution relating to the status of yellowfin tuna in the region, as presented to the Forum Fisheries Committee and PrepCon 5;
- The shift from development to sustainable management;
- Development of regional guiding principles for the introduction of aquatic animals and pests in relation to aquaculture.

43. The Heads of Fisheries agreed to meet again in 2004, as there had been general consensus that these meetings provided the best opportunity to discuss these issues at the regional level. HoF3 was, however, mindful that no SPC Core Budget funds were available to hold another meeting in 2004, but expressed confidence that such funds could be found by the Secretariat.

44. The Representative of the Cook Islands stressed the importance of the Heads of Fisheries Meetings and expressed full support for holding HoF4 in 2004, and for these meetings to be held annually.

45. The Chairperson thanked all the presenters for their interesting presentations.

2.2 Social Resources Division

46. The Deputy Director-General (Noumea), Yves Corbel, presented the overview of the Social Resources Division, highlighting the mission of the division, its structure and the challenges facing its programme clusters. He paid particular attention to the current challenges in public health in PICTs and introduced Dr Mark Jacobs, Public Health Programme Manager.

47. The Public Health Programme Manager, focused his presentation on NCDs in the Pacific. He provided an overview of the situation, stressing the increasing importance of NCDs in the region. He presented the Public Health components working in the area of NCDs and their activities: the Tobacco and Alcohol Section, the Pacific Action for Health Programme (PAHP, funded by AusAID), and the Lifestyle Health Section.

48. The Deputy Director-General (Noumea) continued the presentation of the Public Health Programme, highlighting the work of the sections dealing with Tuberculosis, Surveillance, HIV/AIDS, and Adolescent Reproductive Health. He paid particular attention to the Division's strategic priorities, and emphasised the groundbreaking work that SPC is doing with regards to implementing the MDGs in the Pacific, and the innovative approach of the Global Fund.

49. The Deputy Director-General noted the goal of the Statistics and Demography/Population Programmes, which is "improved availability, utilisation and analysis of PICT socioeconomic data". He noted the growing imbalance between the needs of decision-makers and the outputs of national statistical systems.

50. The Statistician made a presentation that highlighted the activities of the Statistics and Demography/Population Programmes with regards to increasing the capacity of National Statistics Offices in meeting the reporting requirements of the Millenium Development Goals (MDGs). Using Vanuatu as a case study, he demonstrated:

- The strong need for awareness of MDGs;
- The inability of existing systems to meet the MDG reporting requirements;
- That much of the data currently available is inaccurate or inconsistent.

He stated that the findings of the Vanuatu case study had been presented to a recent Heads of Statistics Meeting. Participants indicated that the study's findings were applicable across the region, and mandated SPC to provide assistance to members in measuring MDG indicators. The Statistician reviewed the approach that SPC would take in doing this.

51. The Deputy Director-General noted that SPC was cooperating with the Asian Development Bank in assisting member countries to improve the quality of nationally available data regarding the harshness of living conditions and poverty. He observed that through this collaboration SPC could play a significant role in helping PICTs not only measure, but in fact meet, the MDGs.

52. The Representative of the United States noted an apparent budgetary discrepancy regarding the Global Fund submission. He made reference to a figure of USD 14.2 million, mentioned in the Deputy Director-General's comments, and the annual budget figure of XPF 13 million over five years, contained within SPC's 2004 budget report. He asked for clarification.

53. The Deputy Director-General clarified that the figure of USD 14.2 million was the correct amount.

54. The Deputy Director-General spoke about the shared goal of the cluster of SPC programmes that includes the Pacific Women's Bureau (PWB), Pacific Youth Bureau (PYB), Cultural Affairs Programme, and Community Education Training Centre: "empowered Pacific Island women, youth and preserved cultural identities". He made reference to three important upcoming regional events (the Women's Triennial and Ministers' Meeting in 2004, the 9th Festival of Pacific Arts in 2004, and the Youth Ministers Meeting in 2005), which he said would provide an important opportunity to assess achievements, and to gauge the contribution that this cluster of SPC programmes has made to member PICTs.

55. The Women's Development Adviser gave an MS PowerPoint presentation on the work of the PYB, PWB, and Cultural Affairs Programme. She stressed that human capacity is the primary resource of PICTs, and stated that HRD should be the focus of development activities. She spoke about the need to empower Pacific Islanders to contribute to economic and social development in their countries. She spoke about how the three programmes were working collaboratively to promote HRD, and outlined their efforts on behalf of member countries in the areas of advocacy and policy and legislation. She also spoke of the importance of cooperation with other regional and international organisations, mentioning partnerships that were in place with UNIFEM, PIFS, UNESCO, the World Intellectual Property Organization, and others.

56. The Representative of New Zealand inquired if there were barriers or issues that could slow adoption of the Regional Framework for the Protection of Traditional Knowledge and Expressions of Culture by PICTs. The Deputy Director-General replied that protection of traditional knowledge and expressions of culture was very important, and stressed that intangible assets such as these were not adequately protected by existing international law. He stated that the Regional Framework was a general one and would have to be adapted by each PICT to suit its particular conditions, which was not a simple process. He added that the Framework would be effective only if many countries within the region adopt and adhere to it, and if the protections it confers are furthermore recognised internationally. He made reference to a recent meeting in Noumea (the 2nd Working Group for Legal Experts on the Protection of Traditional Knowledge and Expressions of Culture), at which development of a regional convention on legal protection for traditional knowledge and expressions of culture was discussed.

57. The Representative of France stated that he was very impressed by the report presented by the Women's Development Adviser, and remarked on the difficulties inherent in presenting the specifics of programmes that work in areas as complex as those covered by the PYB, PWB, and Cultural Affairs Programme. He made reference to the importance of reliable data and statistics in evaluating the work and outcomes of programmes that target the MDGs, and emphasised that both donor countries and beneficiaries of aid and services would benefit if reliable indicators and data were available. He mentioned the work of New Zealand and the United Kingdom in this area, and encouraged members to join them in supporting the development of better statistical information. He stated that France was very supportive of the remarks made by SPC regarding traditional knowledge and expressions of culture, and observed that SPC was a pioneer in this very difficult area. He observed that the Regional Framework was important not simply for the protection and preservation of traditional knowledge and expressions of culture, but also because it could help PICTs promote expressions of culture. He remarked that culture was an essential element of identity and heritage, but observed that it also had significant economic value, and stated that this value could be realized, in part, through adoption of the Regional Framework.

58. The Representative of Samoa made reference to the rapid ratification by PICTs of the WCP Fisheries Commission, and queried why members had been so slow in ratifying CEDAW. He asked that an update of PIC ratification of CEDAW be made available to members. He also stressed that FFA had been instrumental in gaining rapid ratification of the WCP Fisheries Commission, and suggested that SPC should advocate in a similar manner for the adoption of CEDAW. The Women's Development Adviser responded that ratification of CEDAW was dependant on action at the national level. She indicated that SPC held workshops and gave assistance to countries, but that the decision to ratify was a political one, which had to be made by each PICT. She made reference to the reporting requirements that were associated with CEDAW, indicating that these could be difficult for some countries to meet. She also indicated that member countries should not take the view that all legislation and policies had to be in compliance with CEDAW before a country adopted the convention, as this could be done subsequent to ratification.

59. The Director-General stressed the importance of CEDAW, indicating that while SPC and other regional organisations supported the convention, and would assist members in dealing with practical issue relating to it, the responsibility for ratification rested with each country. She encouraged delegates to speak to women's groups in their own countries regarding CEDAW, but also emphasised the need for them to raise the issue with their national legislatures and government leaders.

60. The Representative of Fiji Islands expressed his appreciation to the Deputy Director-General and his staff for their work. He stated that he concurred with the representatives of France and Samoa regarding the importance of the PRISM project, and asked for clarification regarding the recent pilot project held in Vanuatu. He said the initiative provided an effective tool for decision-makers and planners, both at the national and regional levels, and would lead to informed decisions that would enhance PICTs' ability to meet their respective international obligations. The Deputy Director-General indicated that the Vanuatu pilot project had been very successful and would be repeated in other countries. He welcomed Fiji Islands' involvement in a similar project.

61. The Representative of Tonga expressed her appreciation to the Deputy Director-General and his staff for their presentations, and commended SPC's Statistics Programme for its efforts in maintaining its commitment to strengthening National Statistics Offices (NSOs) in member countries. She stated that such commitment facilitated the participation of Tonga at the 13th Heads of Statistics Meeting in September 2003, and enabled Tonga's NSO to develop a statistic website. On behalf of the government and people of Tonga, she expressed her appreciation for the services provided to Tonga by the SRD.

62. The Representative of Solomon Islands observed that SRD programmes address issues central to the lives of Pacific Islanders, and stated his appreciation to SPC for the efforts the organisation makes in this area. He observed that PICTs face significant challenges with respect to policy development. He also made reference to the conflict that occurred between certain public health goals (e.g. reduction in the incidence of smoking and alcohol use) and government revenue generation. He observed that many PICTs derived significant income from taxes and duties levied on tobacco and alcohol, and suggested that the fear of losing revenue might make it difficult for them to adopt policies that would result in lower consumption of alcohol and tobacco. He also made reference to problems faced by his country in recent years, mentioning that his country's NSO was in need of assistance. He suggested it might be possible for other countries within the region that had significant expertise in the area of statistics to provide assistance to Solomon Islands. He remarked that Solomon Islands expected to ratify CEDAW by the end of 2003, and indicated that while his country supported that initiative, they did not want to lose sight of the importance of cultural traditions, which also included significant acknowledgement of and respect for women.

63. The Representative of Niue thanked the SRD team for their presentations on the Public Health Programme. She noted that while there had been many efforts to improve lifestyle health in her country and throughout the region, rates of obesity were increasing rather than decreasing. She suggested that perhaps SPC needed to examine different ways of addressing the issue and educating people about lifestyle diseases. She suggested that promoting sports at school should be encouraged, especially at younger age levels, as this would help create a healthy outlook early on in life. She remarked that she was alarmed at the comments made by the Statistician with regards to the different statistical figures available through the Internet, and the actual statistics from national censuses, and urged SPC to be proactive in correcting these. She was particularly concerned about the provision of accurate regional statistics for intergovernmental meetings, such as the Barbados +10 meeting. She said that Niue's youth policy had been completed and that she looked forward to its implementation. She noted that Niue had ratified CEDAW, but commented that her country found the reporting aspect of CEDAW difficult, despite the numerous workshops that have been given. She suggested that a more effective use of resources would be to send someone to help meet the reporting requirements, rather than holding workshops. She said she hoped that SPC was working with other CROP agencies with regards to cultural issues in the region.

64. The Representative of Palau thanked the Deputy Director-General and the SRD team for their presentations and their assistance in the areas of statistics, demography, women's issues and culture. He especially thanked the Cultural Affairs Adviser for her assistance and support towards the hosting of the next Festival of Pacific Arts in Palau, and asked the donors for further assistance in hosting this important event. He referred to Samoa's comments about bringing issues to the attention of political leaders, and noted that despite the increased access in the region to faxes, phones and the Internet, issues were still not being relayed or communicated to decision-makers and government leaders. He stressed the need to improve communication channels. He also noted that SPC's PYB was an important programme for his country.

65. The Representative of Solomon Islands acknowledged the work and support of NGOs, but said that they should be used cautiously, as they were not necessarily effective.

66. The Representative of Papua New Guinea thanked the Director-General and the staff at SPC for organising the meeting arrangements, and thanked the Fiji government for its courtesy and hospitality. In reference to the PRISM and GIS projects, he noted his country's recognition of the importance of the initiatives taken to date. He inquired about the financial implications of implementing such projects. He noted a case study in Vanuatu and urged SPC to consider the possibility of initiating similar projects in other PICTs, including Papua New Guinea. He also echoed the sentiments of the Representative of Solomon Islands that sensitivity should be shown when promoting gender equality. He explained that due to his country's diversity with 700-800 different language and cultural groups, not everyone would agree to certain issues regarding gender equality.

67. The Representative of Fiji Islands asked whether there were any complementary programmes in place to support the work of the Public Health Programme. He inquired about economic and social welfare initiatives, saying that if life expectancy increased, Fiji would face difficulty supporting this population, given his country's limited resources and economic situation.

68. The Representative of Wallis and Futuna thanked the SRD team and the Deputy Director-General for their excellent work in the region, noting that Wallis and Futuna benefited greatly from this work. She also thanked the Deputy Director-General for the exceptional opportunity given to her territory to participate in the recent legal group workshop on traditional knowledge and expression of culture. She said that Wallis and Futuna had benefited from collaboration with PWB, noting that because France had ratified CEDAW, it would be implemented in Wallis and Futuna. She noted, though, that the legal text needed to be adapted to local conditions. She said her country had a new NSO, and would work on devising statistical indicators, but would rely on SPC's technical support in order to ensure their efforts were well focused. She pointed out that her country works closely with SPC's PYB. Through their support, the above mentioned programmes have helped Wallis and Futuna stay in touch with and link to other areas of the Pacific.

69. The Representative of Tokelau congratulated SPC and its SRD team for the thorough presentation, saying that Tokelau supported the work conducted in PICTs. She urged SPC to secure more funding to train Pacific Island nationals in the areas of NCDs. She also commended the work of the PRISM project, and asked for clarification on how SPC programmes allocate their resources around the region.

70. The Representative of Samoa remarked that a “regional picture” of the status of women and youth was not reflected in the working paper on the Social Resources Division. He said that, for example, it was difficult from the paper to grasp the status of youth employment or the number of people with access to education. He asked whether the SRD was able to provide these figures.

71. The Deputy Director-General said that, with regard to social indicators, the aim of the PRISM project was to improve socio-economic information availability, by endeavouring to harmonise the data sets produced at the national level. He stressed that the Statistics Programme used data collected at the national level by countries themselves. He said that SPC strove to strengthen national statistics office staff skills in data collection, processing and analysis. He said that the Vanuatu case study revealed gaps and some inconsistencies in data. SPC had suggested ways that these could be remedied.

72. The Public Health Manager responded to several queries. He acknowledged the comments made by the Representative of Solomon Islands, but said that while tobacco and alcohol were revenue earners, the real message was that tobacco and alcohol cost countries more in direct health care costs than they bring in terms of revenue. He stressed the importance of informing governments about the economic realities of tobacco and alcohol. He pointed out that even with effective anti-tobacco efforts, revenues would not necessarily decline, but rather increase, if taxes were increased. Such an increase in tax would impact on demand while bringing in more revenue. In response to the queries made by the Representative of Niue, he noted that it was true that NCDs were increasing rather than decreasing, but said that action taken against NCDs needed to occur over the long term, and that most benefits would not be seen for many years. He remarked that many people view NCDs as simply a health education issue, but that in fact, education was not enough. He said there needed to be a more integrated approach, one that included policy and legislation, and that “healthy environments” needed to be promoted. He pointed out that until this happens, no benefits would be forthcoming. In response to the Representative of Fiji Islands’ comment on social welfare, he said that it would be many years before the impact of increasing lifespans would be noticed. He noted, however, that improved population health is good for both development and economies.

73. The Representative of Solomon Islands thanked the Public Health Manager for the clarification.

74. The Women’s Development Adviser responded to Samoa’s request, saying that a list of countries that had ratified CEDAW would be circulated to the Committee. She agreed that more statistics were needed to provide a “regional picture” of social issues, but reminded the Committee that the collection of statistics was the responsibility of countries, and that without this data, it was difficult to assess the social and economic situation of women and youth. In responding to the concern raised by the Representative of Solomon Islands about showing sensitivity towards gender equality, she noted her programme worked closely with the Cultural Affairs Programme on this issue, and that the goal was to promote equal opportunities for both men and women. She pointed out the release of a recent study of domestic violence in Samoa, stressing that domestic violence was of concern to all PICTs, and that there were associated costs to countries on the order of 4% of GDP, representing millions of dollars. She said that gender equality need not conflict with Pacific Island traditions and culture. In response to a query about the Cultural Affairs Programme working with other regional organizations, she noted that the work done on the Regional Framework was done in coordination with other CROP agencies, particularly PIFS, and with WIPO.

75. The Director-General noted that many important interventions had been made with regards to HRD, indicating how important this was to all PICTs. She said the discussion had brought to the forefront the various roles SPC and members play in HRD, noting that that SPC's approach was correct and relevant. She encouraged further inputs during the meeting.

76. The Representative of Fiji Islands noted that his intervention had possibly been misinterpreted by the Public Health Manager. He said that Fiji Islands had no qualms with the existing initiatives, but was already challenged in its efforts to care for an ageing population. His query concerned the measures that were in place to help Fiji Islands and other PICTs cope with this challenge, which he said would require powerful actions if they were to be effectively addressed.

77. The Representative of Samoa inquired about the availability of accurate regional statistics, which he observed would be relevant to the region's preparations for the Barbados +10 Conference in Mauritius in 2004.

78. The Representative of American Samoa asked for clarification regarding the differences between existing international indicators and those being developed by the PRISM project. The Deputy Director-General responded that the quality and availability of data varied across the region, and indicated that PRISM was being developed on a cooperative basis with regional NSOs to ensure that the data was useful and relevant for PICTs. He added that the outputs from PRISM would also be useful for communicating information regarding the region to international meetings such as Barbados +10, but emphasised that the primary focus was on serving national and regional needs within the Pacific.

79. The Director-General indicated that SPC was working closely with all members, as well as other CROP agencies, to help them prepare for various international meetings. She said that SPC was also endeavoring to ensure that regional data was as accurate as possible, to ensure that an accurate regional picture was presented.

80. In response to a question from the Representative of Samoa on the production of up-to-date indicators, the Deputy Director-General explained that a new poster (to be published in 2004) would include population data from recent censuses. In addition, the Demography/Population Programme was currently developing a database, on request from the Adolescent Reproductive Health Programme, which could easily be expanded to cover additional areas.

81. The Senior Deputy Director-General then presented the work of the Community Education Training Centre (CETC) and invited delegates to visit the Centre while in Fiji. He noted that the recent graduation ceremony also celebrated the 40th year of CETC's existence and that 1200 women had been trained at the Centre over that time. He referred to the CETC Review and indicated that in 2003 some mechanisms were put into place to cross-validate some of the review's findings, before the Secretariat finalised its response to the review in 2004. These mechanisms included a peer review group, a tracer study to assess CETC graduates over a number of years, discussion with countries and territories on their needs and priorities, and a mapping inventory of similar training institutions. This cross-validation is being undertaken with funding assistance from New Zealand, and will be finalised in the first quarter of 2004. He also expressed appreciation to the New Zealand government for providing funding that would allow the same number of students to attend CETC after the cessation of funding from the Commonwealth Secretariat.

82. The Deputy Director-General introduced the ICT Manager who gave a presentation on SPC's Integrated Information Services, which consists of the Library, Publications, Interpretation/Translation, and Information and Communication Technology (ICT) sections, and the Regional Media Centre (RMC). The Deputy Director-General highlighted that these services provide direct as well as indirect assistance to members through sectoral programmes. The ICT Manager further stressed the major programme support role these sections fulfil, and gave a presentation that focused on the contributions these sections can make to the WSIS process in the Pacific. This contribution will be in the form of improving information availability in PICTs.

83. The Senior Deputy Director-General provided additional information on the direct assistance to countries provided by the RMC, in addition to its programme support role. He noted that the production component of RMC served mostly SPC, but also member countries to a certain extent, and that the training component completely focused on providing services to members. An outcome of the RMC review is that from next year onward, there would be clear delineation between the training and production components. SPC accepted the recommendations of the review and would be implementing them within its budget, using existing resources.

84. To conclude the presentations of the Social Resources Division, the Deputy Director-General extended the Secretariat's full appreciation to other collaborating regional organisations, CROP members, and major social resources partners and donors.

85. The Representative of Cook Islands asked why the Commonwealth Secretariat was moving away from providing funding for CETC this year. He asked whether the Commonwealth Secretariat would provide funds for 2005, and whether CETC has received any commitment for long-term funding. He thanked New Zealand for filling the funding vacuum left by the Commonwealth Secretariat. The Senior Deputy Director-General said the Commonwealth Secretariat had made a programming decision when it withdrew funding. He said that SPC has had discussions with the Commonwealth Secretariat and was in the process of sending a formal proposal to the Commonwealth Secretariat to continue its support of CETC. SPC hopes to have a decision in January. In the meantime, however, the Senior Deputy Director-General said that SPC was able to fund the full programme for the coming year, although if the Commonwealth Secretariat decided to provide funding, it would ease the burden. Other CETC funding comes from Australia, New Zealand and from France (for the first time this year), which will fund three participants in 2004. PNG's Country Women's Association normally supports one participant from Papua New Guinea each year.

86. The Representative of Kiribati voiced her country's appreciation of SPC, especially SRD, for all the assistance provided to the region and to Kiribati. She mentioned in particular the assistance received from the Public Health Programme to ongoing projects in Kiribati. She foreshadowed a national response from Kiribati at Conference relating to the Tobacco and Alcohol Programme. She warned that there seems to be a lack of commitment at the policy-making level, and said that this is an area that needs to be addressed seriously, as without commitment at the policy level, the project might not be as successful as it should be. The Representative of Kiribati also voiced appreciation for SPC's increased focus towards member countries, contrasting the present direction with her prior experience in 1996, when it appeared that projects were primarily driven by the policies of donors and international organisations. She said it was very encouraging to find that this was no longer the case. She said that Kiribati had not ratified CEDAW as her country felt that its benchmarks were better suited to industrialised countries than to conditions in the Pacific. She said Kiribati fully supported the remarks made by Papua New Guinea about the need to take into account cultural sensitivities with regards to gender equality, and encouraged SPC to continue its work in this direction. In concluding her remarks, the Representative of Kiribati said her country voiced its support for SPC and looked forward to future work with SPC.

87. The Representative of Nauru said that her country was grateful for the assistance extended by SPC to Nauru, and for the opportunity to take part in CETC's training programme. She said Nauru welcomed the positive development of taking training programmes to the national level, as this would make them more accessible.

88. The Representative of Niue said that her country had also benefited from SPC programmes and was thankful for the assistance extended to women. She inquired about an application that had been put forward to allow males to benefit from CETC training. As an aside, she added that she looked forward to a time when CRGA was held via teleconferencing. The Senior Deputy Director-General reminded delegates that SPC had considered accepting men, but that CETC is a residential facility, and is set up with facilities only for women. SPC was therefore looking at the possibility of transferring CETC training modules to institutions in other countries, mentioning an institution for men in Papua New Guinea. SPC is in discussions with the PNG institution to see whether it could accept participants from other countries. He envisaged that SPC would be able to develop a proposal for a men's training course during the coming year. Regarding the idea of teleconferencing CRGA, the ICT Manager reminded delegates that SPC does have facilities for teleconferencing, and said that these could be used for meetings if the countries agreed.

89. The Representative of Solomon Islands said that his country acknowledged the importance of the SRD work, which bears directly on people's lives. He urged SPC to better target SRD programmes to meet the needs within Solomon Islands. He said he was glad to be informed about the Secretariat's view of these challenges, and stressed the importance of the Public Health Programme. He stated it played an important role in enhancing and complementing national programmes and activities. He urged the Secretariat to ensure that the Public Health Programme continue to address significant problems faced by PICTs, and particularly by Solomon Islands.

90. The Representative of the Federated States of Micronesia complimented the Secretariat and the host government, Fiji Islands, on the facilities and hospitality provided for the meeting. He registered his country's support and endorsement for all the SPC presentations, and thanked SPC's management for improvements in this year's CRGA presentations, as the new format made the programme presentations more effective. He proposed that Suva-based country representatives discuss mechanisms by which island countries could complement SPC's work, and suggested they explore the possibility of accessing SPC technical experts when attending regional meetings such as CRGA. In addition, he informed the meeting that the Federated States of Micronesia had ratified CEDAW the previous month.

91. The Representative of the Marshall Islands revisited a question raised earlier by Tokelau, and sought clarification regarding the means by which SPC made decisions on allocating assistance to member countries. He said that members expressed concern a few years previously that SPC should move away from providing assistance to subregions, and instead provide assistance to all member countries and territories. The Director-General replied that this was a very important question that applied across all SPC services. She said that SPC programme services are largely funded from core funding. This stems in part from the contributions of member countries and territories, but derives primarily from donor members and other donor partners, including the EU and recently the Global Fund. The services provided by SPC are intended to flow to all island members, and indicated that all of SPC's programmes are guided by this principle. She noted that some SPC activities are supported through project funding, and indicated that this funding sometimes comes with constraints on the allocation of services. She gave as an example EU funding that targets only ACP territories in the Pacific. She emphasised, however, that SPC endeavours to leverage such funds, and to extend the same services to other members. She pointed out that consultations with other countries and various technical meetings assist SPC in defining where these services can be extended. She said that consultations such as these are important in ensuring that the needs of all countries are addressed.

92. The Chairperson expressed thanks on behalf of the meeting to the Deputy Director-General and the Social Resources Division programme leaders, to the Senior Deputy Director-General, and lastly to the Director-General, for their assistance and encouragement.

2.3 Land Resources

93. The Senior Deputy Director-General presented the Land Resources Division (LRD). He began by thanking the Division's development partners and collaborating agencies, in particular other CROP organisations. He first introduced SPC Suva Operations, noting that these were spread over three locations in Suva, with 11 field operations in PICTs. He then provided an overview of selected highlights and result-based achievements of the Division:

- Graduation of the first 16 paravets of the SPC/ADAP/USP Paravet Training Course;
- Real-time information and access to the updated animal health and quarantine website;
- Blight-resistant taro grown in Samoa and Papua New Guinea with assistance from the TaroGen project;

- Material Transfer Agreements (MTAs) developed with PICTs to facilitate the transfer of germplasm between countries;
- Replication of the SPC regional germplasm collection held at the SPC Nabua facilities to a back-up facility at USP's Alafua Campus, for safety reasons;
- Food security enhanced for Butaritari in Kiribati through restoration of breadfruit supplies after a new fungal epidemic, eradication of the fungus, and transfer of skills to the community to prevent a new epidemic;
- Replacement of the Solomon Islands Agriculture Library (burned in 2000 by a pilot electronic library) with materials available on CD-ROM and online;
- Improved management and use of mangroves resulting from the review and refinement of mangrove management plans for Tuvalu, Kiribati and the Federated States of Micronesia;
- More effective utilisation of timber and enhanced timber exports in Vanuatu;
- Nomination of the Fiji Nakavu community-based sustainable forest management model area as an example by FAO's "In search of excellence" award for exemplary forest management in Asia/Pacific.

94. The Senior Deputy Director-General then reported performance against Corporate Plan strategies and against the strategic plans of the agriculture and forestry programmes of the Division, as contained in the papers provided by the Secretariat. He then addressed the outcomes of the review of the LRD, detailed in the Secretariat's papers. He highlighted in particular the recommendation dealing with the restructuring of the Division into two functional rather than sectoral components: biosecurity and trade support, and integrated farms and forests development. He explained that the Secretariat was in the process of studying closely this recommendation and that the recent Heads of Forestry Meeting had noted that the current structure is efficient. The Secretariat had taken on board three of the 11 recommendations dealing with (1) the establishment of a Director of Land Resources Division (the position had already been advertised); combined strategic plans for the Agriculture and Forestry Programmes; and (3) the organisation of a joint forestry and agriculture heads meeting in 2004, with a ministerial meeting held back-to-back. The rest of the recommendations to be addressed after the recruitment of the Director of LRD.

95. Responding to a question from the Representative of Samoa, the Senior Deputy Director-General clarified that the new position of Director of the Land Resources Division would be funded from savings resulting from the redesignation of the vacant position of Land Adviser and from reallocation of funds from within the Division. Although the position of Manager was at a higher level than that of Adviser, it would not require additional funds from members as it was within budget. He pointed out, however, that the new Director would have to look closely at overall staffing issues within the Division.

96. The Representative of Palau thanked the Deputy Director-General for his comprehensive presentation on LRD, and expressed his agreement with the overall objectives of the programme. He encouraged SPC to consider expanding the work it does with respect to value adding of agricultural products. The Deputy Director-General thanked the representative for his comments, and indicated that SPC both noted and agreed with his observation regarding the importance of value adding. He observed that this was being addressed, and was specially referenced in annex 4.2 to working paper 2.3, but agreed on the need to raise the profile of the issue.

97. The Representative of Cook Islands noted that SPC was a major contributor to agricultural initiatives in the region, and had provided his country with technical expertise and financial and technical information. He mentioned that the assistance SPC provided in the areas of plant protection, animal health, quarantine and forestry helped to fill important gaps in national capacity, and stressed the importance of the Agricultural Programme for the agricultural sector in his country. He observed that his country and the region still faced many challenges in this area, and he encouraged donors to continue to supporting LRD's valuable programmes.

98. The Representative of the Federated States of Micronesia stated his appreciation to SPC for including his country in a regional forestry programme. He asked for clarification regarding a possible increase in staffing for that programme, and also inquired whether assistance in the area of capacity development was available in areas other than forestry, noting that some members did not have extensive forest resources. The Senior Deputy Director-General indicated that the Federated States of Micronesia would soon be gaining additional staff on the projects that were being conducted in that country, thanks to an expansion in SPC's Plant Protection Services, and the Development of Sustainable Agriculture in the Pacific (DSAP) project, which is funded by the EU. He indicated that capacity building was being pursued in areas other than forestry, mentioning that this was a priority at both the national and regional level. He also stated that SPC was committed to building partnerships that were supported by local communities, as these would help ensure capacity building was sustainable.

99. The Representative of Niue asked for additional information regarding the staffing levels and structure of LRD, indicating that in the absence of this information it was difficult to evaluate the organisation's response to the recent LRD review. She supported the focus of LRD on the issues of food security and related public health concerns, biosecurity, and bioterrorism, and encouraged cooperation between LRD and PIFS to facilitate trade.

100. The Representative of Tokelau thanked PPS for its work areas of pest control and upgrading biosecurity services and laws. She asked for assistance from SPC in dealing with "crazy ants" on Tokelau's atolls.

101. The Representative of Solomon Islands said his country had benefited from the services of LRD, saying that forestry and agriculture were very important for his country. He said he appreciated the review that was undertaken and hoped that it would result in the strengthening of delivery of services. He raised two concerns:

- the move away from a sectoral focus, which he felt would cloud the way services are delivered to members; and

- the merging of the Heads of Forestry and Agriculture meetings, which currently focus on special issues of concern. (However, he supported the latter if it resulted in improved discussions.)

102. The Representative of Wallis and Futuna congratulated the staff of LRD and expressed pleasure that the DSAP project had been implemented in her country. She said that great benefits would derive from it and was grateful for SPC's technical assistance in animal health. She congratulated the Senior Deputy Director-General on his team's work.

103. The Senior Deputy Director-General responded to Niue's question about the appointment of LRD's Director, saying that in fact, this appointment did not increase the number of positions, but noted Niue's concern about the role of the Director with regards to the Division's structure. He noted that the importance of biosecurity, and indicated that PIFS looked after issues relating to policy and negotiation, while SPC was responsible for technical matters. In response to the Representative of Solomon Islands' remark about the focus on sectoral arrangements, he noted that SPC had not responded to the recommendations of the review, but that this response would be made in consultation with member countries. In answering the query about joint heads of ministers meetings, he said that SPC was proposing a six-day meeting with a joint plenary session and separate parallel technical meetings.

104. SPC's Plant Protection Adviser responded to Tokelau's query about "crazy ants", saying that his team had been working on this. A survey has been conducted and extra budgetary provisions have been made to deal with the problem. PPS plans to invite specialists to investigate the situation, as the programme has no expert on staff.

105. The Representative of Kiribati congratulated the efforts of LRD, and acknowledged the assistance provided to Kiribati, in particular to Butaritari, noting that the project is still ongoing and the epidemic fungus has not yet been totally eradicated. She acknowledged, however, the approach undertaken with breadfruit, in which scientists were looking at the effectiveness of traditional cultivation methods, noting that traditional approaches had the greatest chance of success in many PICTs. She asked for clarification regarding vacant extension posts in a number of countries, inquiring whether this was due to a lack of qualified applicants or a shortage of funds. The Senior Deputy Director-General replied that the vacant extension posts the representative had referred to were a consequence of the programme having just begun. He indicated that recruitment would begin shortly, and said that three national staff would be recruited in three different countries for a period of four years, all supported by EU funding.

106. The Representative of Papua New Guinea expressed his country's appreciation of the benefits received from the programmes of LRD, and expressed support for the continuation of such programmes in the future.

107. The Representative of Fiji Islands expressed his government's appreciation for the work of LRD. He remarked that it would be helpful if, at the end of projects, funding was made available for staff to assist member countries in developing funding proposals for the continuation of projects. He also asked for details regarding the establishment of the hot forced-air treatment facility in Fiji Islands. The Senior Deputy Director-General thanked the representative for his suggestion regarding the development of funding proposals, and stated that SPC used this approach whenever possible. He indicated that the hot forced-air treatment plant, located at SPC Suva, had been established with EU funding. The Plant Protection Adviser elaborated that the treatment plant was one part of a larger research and development facility, which he said would enable SPC to provide assistance in the areas of training, advisory services and pre-shipment/post-harvest. He indicated the research and development facility would assist countries in meeting export requirements for agricultural products. He also made note of funding provided by Australia and New Zealand under the Pacific Agreement on Closer Economic Relations (PACER), which he said would augment SPC's ability to provide services to the region in this area.

108. The Representative of the Republic of the Marshall Islands expressed his appreciation for the activities of the Agricultural Programme, and reiterated his request, which had been made at previous CRGA meetings, that SPC seriously consider the issue of atoll agriculture.

109. The Representative of Tuvalu expressed appreciation for the assistance provided by LRD, especially in the area of pest control. He asked LRD to look into an ongoing bio-control project in Tuvalu.

110. The Senior Deputy Director-General indicated that the issue of atoll agriculture was definitely on LRD's work programme, and indicated that the Division would assist Tuvalu with the bio-control issue raised by the representative.

AGENDA ITEM 3 - SPC'S SECTORAL MEETINGS

111. The Senior Deputy Director-General introduced the issue of sectoral meetings, explaining that a proposal had been put forward at CRGA 32 to increase the frequency of important sectoral meetings (e.g. Heads of Fisheries, Heads of Agriculture, etc.) from once every three years to every two years. He indicated that this was necessary due to the rapid changes being experienced in all sectors within the region. He reminded delegates that CRGA 32 had expressed concern over the financial implications of this change, and explained that CRGA (33) Paper 3 proposed that the cost of the meetings be shared between the core budget and the relevant programmes, with each paying 50%. He noted that this approach would ensure that the change could be effected without requiring the allocation of additional funds from SPC's Core Budget.

112. The Committee noted CRGA (33) Paper 3, addressing sectoral meetings.

AGENDA ITEM 4 - FORMULA FOR ASSESSED CONTRIBUTIONS

113. The Director-General provided an overview of CRGA (33) Paper 4, addressing the formula for assessed contributions. She explained that there were two primary issues for the Committee to consider: a review of the “global” formula, and assessed contribution arrears. She said that island members currently contribute 9.4% of assessed contributions, with donor members contributing 90.6%, noting this allocation had been in place since 2000. She remarked that the formula determining individual island contributions was based on current government expenditures, with a special host government contribution split between New Caledonia and Fiji. She asked the Committee to consider whether members wished to contribute a greater percentage of the total assessed contribution.

114. The Representative of Cook Islands said his country supported the current global split.

115. The Representative of Australia indicated his country accepted the current burden-sharing formula.

116. The Representative of the Federated States of Micronesia asked whether there was a specific reason for revising the existing split.

117. The Representative of Palau expressed satisfaction with the current formula.

118. The Committee agreed to retain the current allocation for assessed contributions, with island members contributing 9.4% and donor countries contributing 90.6%.

119. The Committee agreed that the donors and island members would meet separately to determine their individual contributions.

120. The Committee approved the proposed formula for assessed contributions of island members for the next three years.

121. The committee noted the information provided by the Director-General to the plenary session that the outcome of the consideration by PICT members of their assessed contributions was a very positive one. She reported that their decision was to adopt the proposal as given in CRGA (33) Paper 4. She thanked the members for their agreement, and particularly thanked those members who agreed to higher assessed contributions in a show of Pacific solidarity.

122. The Deputy Director-General reported that the five metropolitan member countries (donor members) had decided to maintain the current percentage split for the years 2004, 2005 and 2006. The meeting noted that the current metropolitan member contribution would need to be renegotiated at the next CRGA, if the metropolitan membership composition changed during this period.

123. In response to a query from the Representative of the Federated States of Micronesia, the Representative of the United Kingdom stated that the UK was not withdrawing its membership, but reviewing its position as part of a wider decision to end bilateral commitments in the Pacific: a decision that the UK had taken in 2001. He said that at this stage, no decision had been made and the United Kingdom was committed to funding its contribution to SPC for 2003 and 2004.

Assessed contribution arrears

124. The Director-General pointed out that the trend in members' assessed contributions arrears was very disturbing, not only to the Secretariat but to members as well. She outlined the main propositions in the discussion paper CRGA (33) Paper 4, part II, "Members' assessed contributions arrears". She noted that since the paper was prepared, SPC had received some payments for arrears, reducing the figure of 760,114 CFP units given in the paper. She indicated that during the year, SPC had also received contributions for the year 2003. However, if the trend in arrears continues, SPC would face a challenge to manage the cash flow of the organisation, which could force SPC to borrow to finance its operations.

125. Actions taken by SPC have included sending reminder notices, raising the issue with focal points, and with ministers of the governments concerned. This year the Director-General personally visited two of the three countries with the largest debts, and spoke to the heads of their governments. These heads of government reiterated their support for SPC and their intention to address the issue of arrears over time.

126. The Director-General reported that the auditors were recommending that SPC create a special provision in next year's financial statement for unpaid arrears. A number of suggestions have been made to address the issue. They include the suspension of SPC services to the countries concerned, or imposing interest penalties. On the suggestion of suspension of services, the Director-General said the Secretariat would be very reluctant to adopt such a position, given SPC's view that the countries most in arrears are the ones most in need of SPC services. On the suggestion of the auditors to create a provision for "doubtful debt", she said that SPC does not see that as appropriate where there is a real chance of being paid, and it would be sending a wrong message to members. She said the Secretariat was asking members to endorse its view that government arrears be treated as "sovereign debt", which would require no special provision. The Director-General also asked for the views and guidance of the members on how the situation could be improved.

127. The Representative of France commented that if the situation continued it would have negative impacts on SPC's cash flow and put in question the implementation of SPC programmes in particular member countries. However, he said that one could understand that a country might temporarily be unable to meet its commitments; in such instances cancellation of these debts would not be fair to other members, who try to pay their dues on time. He said that writing these debts down as doubtful debts would not be appropriate, as there were very limited means of recovery. He added that withdrawal of services would not be in the spirit of the organisation, and that imposition of penalties would not be likely to help the countries meet their obligations. He suggested that SPC invite countries to pay their debts, hoping that CRGA's "moral weight" would encourage countries to pay their arrears.

128. The Representative of Solomon Islands thanked the Secretariat and the entire organisation for its understanding on the matter of arrears. He said that Solomon Islands was grateful for the continued assistance extended to it, even though it was not meeting its commitments during the last five years. He indicated that Solomon Islands hoped to be able to halve its arrears by the following week, and to meet its 2004 commitment in the coming months. He said he recognised that the situation of unpaid contributions was unfair to countries that paid their contributions, and he expressed appreciation to those member countries that fulfilled their obligations on time.

129. In response to an inquiry from the Representative of the United States, the Director-General clarified that the issue of arrears would be raised at the ministerial level in the agenda of the Conference next week.

130. The Director-General also indicated that she had spoken with the Governor of Guam and that a member of Guam's legislature would be present at next week's Conference and would address the issue of Guam's arrears.

131. The Representative of French Polynesia said his country endorsed the point of view expressed by France, and believed a more formal recognition of the problem on the part of CRGA, addressed to the countries that are in arrears, would carry more weight. He noted the action taken by the Secretariat to draw the attention of countries in arrears to the problems.

132. The Representative of Niue noted that her country was in arrears, but wished to assure members that Niue would be trying to clear the arrears by the end of 2003.

133. The Representative of American Samoa also noted that his country has outstanding arrears. He said that his country was into its new financial year, and promised that the funds would be sent soon.

134. The Representative of Papua New Guinea said that he considered that enforcement measures would not only be contrary to the spirit of cooperation of the organisation, but also be detrimental to the harmony of SPC. He said the settlement of arrears by members should be encouraged by other means. He reaffirmed his country's commitment to settle arrears, but regretted that while he could not give an indication of when this would be done, his country is obligated to do so.

135. The Representative of Palau pledged that Palau would settle its arrears by the end of 2003.

136. The Representative of Nauru acknowledged her country's arrears, and reiterated her government's firm commitment to address the situation. She thanked all those countries that have continued to meet their commitments.

137. The Representative of Marshall Islands said his country would continue its commitment to SPC. He requested that a copy of the letter of reminder be sent to the Embassy in Suva.

138. The Representative of Samoa noted that the list of arrears showed a figure for Samoa in brackets, wondering if Samoa had overpaid for that year. He went on to note that the issue of arrears was not so much of a problem over two to three years, but it became a serious problem when it extended over a period of seven years, and pointed out that other CROP agencies were also experiencing a problem of arrears. He stated that the Secretariat should follow up on this matter.

139. The Representative of Wallis and Futuna committed his country to pay what is owed for 2002 and 2003 within the first six months of 2004, and expressed the hope that the contribution for 2004 would also be paid by that time.

140. The Committee noted the concerns raised by the Secretariat relating to arrears by members. It further noted and welcomed the statements of commitment by members to meet these obligations to the organisation. The Committee encourages members with arrears to settle these as soon as possible.

141. The Committee endorsed the Secretariat's view that government arrears be treated as "sovereign debt", which would require no special provision.

142. The Committee agreed to bring the subject of arrears to the attention of Conference.

AGENDA ITEM 5 – DONOR HARMONISATION

143. SPC's Director of Corporate Planning presented the paper on donor harmonisation. He explained that it was a process of standardising and streamlining donor requirements and procedures that aims to achieve efficiency gains by eliminating unnecessary bureaucracy. He outlined the perceived advantages of the process and gave a brief summary of the status of donor harmonisation at SPC, together with examples of direct benefits for SPC's operations. The process and the donor shift from project to programme focus both contributed to greater flexibility by ensuring that the organisation's activities better respond to the needs of island members; they also provide longer-term funding assurance. He indicated that he had attended the recent Pacific Regional Workshop on Donor Harmonisation held by the Pacific Islands Forum Secretariat, AusAID, ADB, NZAID and the World Bank, where it appeared that significant progress was being made. He indicated that donors seemed happy to implement simpler procedures, provided that recipient organisations had in place proper planning, quality assurance and financial systems that met the donor agency's requirements.

144. The Representative of New Zealand explained that New Zealand was moving towards harmonisation and would sign a new three-year funding arrangement during the upcoming Conference. For New Zealand, the move from project to programme funding would lead to efficiency gains by focusing on outcomes rather than inputs. In making this change, New Zealand had confidence in the robustness of SPC's planning and quality assurance systems. The Representative of New Zealand noted that Australia and France had also adopted a similar approach and encouraged other donors to do the same.

145. The Representative of Australia noted that this new approach was also in the donor's interest as it cut down on reporting requirements. This approach was also being adopted for Australia's aid to other organisations, as well as to its bilateral aid. Australia reaffirmed its support to this approach and its commitment to achieving robustness of systems, noting that it is a "win-win" situation for all parties since in the long run, it is also easier for donors to work at programme rather than project level.

146. On behalf of the Committee, the Chairperson expressed full appreciation to the governments of Australia, France and New Zealand for their ongoing support and commitment to SPC.

AGENDA ITEM 6 – REVIEW OF SPC FINANCE SECTION

147. The Director-General introduced the paper presenting the outcome of the external review of SPC's Finance Section, along with the Secretariat's response to the recommendations and its plan to address them. She stressed that this independent review had been conducted at the request of the Secretariat, to identify financial services requiring further improvement. This was done in light of the section's critical importance in achieving organisational objectives through strengthened financial services. She highlighted the key findings of the review as summarised in the Secretariat's paper and informed the Committee that the Secretariat had accepted all recommendations, as the Secretariat agreed that they will lead to further improvements in the operations of the section. She was happy to report to the Committee that some recommendations were already being implemented and that the Secretariat was developing a detailed and comprehensive implementation plan with a timetable.

148. Responding to a question from the Representative of Samoa in relation to the recommendation on centralising travel arrangements, the Director-General explained that Personal Assistants in Programmes were getting travel quotes and that the decision to centralise these arrangements through the Conference and Travel Officer would ensure that the policy of obtaining the most cost-effective quotes would be followed across the organisation. On the recommendation dealing with the restructuring of the Finance Section, she explained that the position of Finance Manager had remained unfilled and that the Finance and Administration Sections had been amalgamated into corporate services, with the Administration Officer becoming the Director of Corporate Services. The review felt, however, that this void in the Finance Section left by the unfilled position of Finance Manager needed to be rectified. The Secretariat was in the process of re-examining the structure in light of the recommendation and considering the best means by which to have someone assume responsibility in the Finance Section. She added that this would be done within existing budget, and at no additional cost to members.

149. The Representative of Solomon Islands thanked the Secretariat for having taken the initiative to conduct the external review. He remembered that some years ago SPC had come under scrutiny because of the way its finances were managed and noted with satisfaction that the Secretariat had received a very high rating from the reviewers. He thanked the Secretariat for its performance but remarked that SPC should work to the highest standard, and aim for the maximum rating. He asked for further clarification on how the travel arrangements are made in the Suva Regional Office.

150. The Director-General clarified that the travel arrangements at the Suva Regional Office are done centrally. Prior to the review, in Noumea they had been decentralised to Programmes. The Secretariat put into effect the recommendation that they now also be centralised in Noumea, as this was a timely change. With respect to the review itself, she stressed that SPC had made great improvements to its Finance Section, but was of the opinion that further improvements could be made, and had therefore commissioned the review to look at refining key operational components. The Secretariat had accepted the review's recommendations and was now committed to implementing them.

151. The Representative of Tokelau welcomed the review and the Secretariat's intention to implement the recommendations. Noting the Secretariat's commitment to the principles of transparency, accountability and excellence, she applauded the Director-General and her staff for their efforts to improve efficiency and ensure that the organisation operates with integrity towards its members and donors.

152. The Representative of the Marshall Islands commended the Secretariat for looking at ways to improve performance and delivery of services to members. Since the Secretariat is also responsible for the travel arrangements of members to regional meetings such as this CRGA, he enquired whether the Secretariat could liaise with members to find the most economical routes.

153. The Director-General agreed that members had valuable knowledge regarding the best fares and routes in and out of their own countries and said that the Conference and Travel Officer would liaise even more closely with them when making travel arrangements on their behalf.

154. The Representative of Samoa informed the Secretariat that the practice at other CROP agencies is to tender out to local travel agencies for a set number of years, and invited the Secretariat to consider and decide on the best possible option.

155. The Committee noted the outcome of the external review of the Finance Section commissioned by the Secretariat, as well as the Secretariat's plan to implement the review recommendations as part of its commitment to continue to improve services to members.

AGENDA ITEM 7 – REVIEW OF CROP REMUNERATION ARRANGEMENTS

156. The Director-General introduced this item and presented the findings of the three remuneration reviews conducted. The surveys on support staff terms and conditions of service (the CROP-commissioned Market Survey of the Fiji General Market for Fiji-based staff by Price Waterhouse Coopers and the SPC-commissioned Market Survey of the New Caledonia Market for Noumea-based Technical and Support staff by Bouquillard Conseil) have been completed. The surveys demonstrate that no adjustments with material financial implications are necessary either in Fiji or Noumea, although maternity leave will need to be adjusted upwards at headquarters, in line with local regulations. The CROP-commissioned review of remuneration and terms and conditions of service for professional staff carried out by Mercer Human Resource Consulting Ltd. was finalised and submitted to the Secretariat the previous week and distributed to members at this meeting. The current CROP remuneration arrangements approved three years ago provide for remuneration packages to be reviewed externally every three years against the agreed comparator markets with a view to updating CROP terms and conditions as appropriate. The professional staff salary review was conducted with the Australian Public Service (APS) as the comparator market as agreed by CRGA. Two significant issues stand out. The link of CROP salaries to SDRs has emerged as a major concern, with the downward trend of SDRs having a direct impact on professional staff salaries. The reviewers also found a large difference between CROP salaries and those of the APS, with SPC professional salaries being 5-32% lower. The Suva-based CROP agencies met last week to consider their initial response to the review. They recognised that there would not be sufficient time to consider fully the review at this CRGA and next week's Forum Officials Committee (FOC) meeting. The recommendation put to CRGA is that the CROP Working Group on remuneration be reconvened to consider fully all the implications of the review, with a view to making recommendations to CRGA and other CROP Governing Councils in 2004. In the meantime, CRGA is requested to approve an interim adjustment of professional staff salaries of 5%, paid as a bonus in 2004. The Director-General stressed that this was a sound proposal because it was reasonable and within budget, at no extra cost to members. The Secretariat put forward these recommendations in recognition that these issues were having an impact on human resource management in recruiting and retaining qualified staff, although full statistics were not available. The Secretariat continues to attract large numbers of candidates but

finds that qualified individuals want to negotiate their starting salaries; in addition, current staff are re-examining their situation carefully. The Secretariat is therefore concerned about the impact of salaries on staff.

157. The Representative of France stressed the following points:

- The Mercer Report recommends quite substantial re-adjustments; this is a very important matter to France as well as to staff.
- France has not had time to consider the report thoroughly as it was distributed late.
- France wonders if it is wise to use only the APS as a benchmark and wonders if, in future, a basket of benchmarks could be used as comparator markets.
- It is important to find a middle way for remunerations that will attract and retain qualified professionals while remaining at a realistic and balanced level.
- Since SPC has a large number of employees and the impact of any salary increase is therefore quite substantial on the budget, the Committee needs to proceed with caution.
- France has no objection to agreeing to the proposed 5% bonus if that is the consensus.
- The CROP Working Group needs, however, to look at all these issues, including the benchmarks.

158. The Representative of the Federated States of Micronesia made the following points:

- FSM supported the 5% salary increase offered next year as a bonus.
- The CROP remuneration working group must examine the situation very closely, take a hard look at the wisdom of using SDRs as well as using the APS market as a benchmark, and develop a recommendation regarding that policy.
- Unless and until the policy of using the APS as a benchmark is changed, that benchmark should be adhered to. He expressed sympathy with the professional staff who give their best, yet are missing out on 5-23% of their salary. He said it was not the fault of SPC professional staff that they face this situation.
- FSM agreed to the recommendation to make the 5% interim payment in 2004, and said that, while 5% is not enough, it will go some way to address the situation faced by staff.

159. The Representative of Palau said that:

- Palau did not have any difficulty with the proposal or the views expressed by France.

- There was still the question of how CRGA came up with the policy to follow the APS as a benchmark. While Palau did not have any difficulty with this policy, in other fora in the region, the Pacific Island countries have suggested the use of the harmonised regional salary scale for regional organisations, as it is based on APS. It is necessary that we establish an agreed procedure to follow for the future.

160. The Representative of Samoa made the following points:

- While it has been agreed that the APS should be used as the benchmark, other benchmarks should be considered, given the financial difficulties faced by members. He pointed out that Fiji Islands and New Zealand markets had been suggested in the past as possible markets to be used.
- That a review of remuneration should be linked to the contract terms of professional staff. The six-year rule no longer exists in most CROP agencies. The review of remuneration was seen as a way of assisting those public servants who were either seconded or employed at regional organisations for a period of up to six years.
- The increase in the number of CROP agencies whose professional staff salaries would also be linked to the APS under the harmonisation policy, would in the long term have significant financial implications for members.
- Job sizing needs to be undertaken in all CROP agencies, particularly at the senior management level.
- The policy recommended by the review, for CROP agency travel to be in line with the APS, would have financial implications for members. It is not always appropriate for the region to follow the lead of the UN and the Commonwealth whose membership is spread across the globe.
- The issue of SDR fluctuation should be addressed by the working group, which should develop a recommendation.
- Agreed that the report be referred to a working group of Suva-based missions assisted by CROP agencies, while approving an interim 5% payment for professional staff, which should not be regarded as a bonus.
- That consideration be given to support staff salaries in future reviews.

161. The Representative of Australia made the following points:

- Given the strong links to the APS made in this report, Australia feels an obligation to look closely at this report, and this is being done in Canberra at the present time.
- In the APS every agency works to its own timetable, usually on a three-year cycle, with salary increases during that period being mapped out at the beginning of the cycle.

- Salary increases are always at the cost of staff numbers; that is, pay increases are funded by cutting positions.
- All APS departments face reduced departmental budgets each year.
- Australia needs time to analyse the consultants report and therefore cannot give a decision to this meeting.
- If a consensus decision was reached by CRGA 33 to pay the 5% interim payment, Australia would not associate itself with that position because of insufficient time to consider the report.

162. The Representative of Niue made the following points:

- CRGA should be given a full analysis of the recommendations in the report.
- SPC should do its own analysis of the recommendations and put dollar figures against them, and at the same time provide an idea of the number of professional positions that would be endangered following increases in salaries.
- Some of the salaries are tax free, and this would have to be taken into account in the analysis.
- Niue shared the concern about whether the use of the APS benchmark was relevant at this point in time.
- CRGA should consider the implications of losing staff in order to fund salary increases, as the Niue government would not agree to increased contributions.
- If SPC offered 5% to staff now, it would be very difficult not to continue this as an ongoing salary level.
- The increases in maternity leave to be offered to staff appear generous and this would have to be looked at.
- If a consensus decision is reached by this meeting to pay the 5% interim payment, Niue was not associated with that position because of insufficient time to consider the report.

163. The Representative of New Caledonia stated that:

- His country supports the interim payment of a 5% bonus for 2004, since it would be absorbed within budget at no extra cost to members.
- His country is also of the opinion that the CROP remuneration exercise should use a basket of comparators rather than rely solely on the APS.

164. The Representative of Solomon Islands made the following points:

- Solomon Islands endorsed the proposal for the CROP working group to analyse the report and review report back to CRGA in 2004.
- Any increase in staff salaries should be driven by an increase in quality of work output rather than by a perceived gap between SPC and APS salaries.
- Solomon Islands supported the payment of the 5% interim payment for 2004, in recognition of the issue of staff hardship in relation to the fall in the value of SDRs, not as an adjustment to reflect the gap between SPC and APS salaries.
- He asked that the 5% interim payment for 2004 be offered to support staff to make it fair to all.

165. The Representative of French Polynesia stated that his country:

- Wonders, as does Niue, if the comparison between SPC and APS remunerations is based on salaries before tax, given that SPC salaries are tax-free.
- Finds it difficult to reach a clear assessment without additional information.
- Wonders if salary increases at SPC would also lead to staff cuts as in the APS.
- Stresses that priority should be given to recruiting qualified professionals and that salaries should be set with this parameter in mind, rather than systematically increasing remuneration when APS salaries increase.
- States that the bonus should be accorded on the basis of productivity and efficiency, rather than on the basis of the increased cost of living in Australia, given that SPC is not based in Australia.
- Notes that the salary loss caused by volatile SDRs does not affect support staff whose remuneration is not tied to SDRs.
- Supports the interim payment being given to all staff, including the support staff, on the understanding that SPC has shown its efficiency and good performance.
- Would not, however, oppose the nascent consensus on this issue.

166. The Representative of Kiribati made the following points:

- She associated herself with the remarks of previous speakers.
- The Mercer consultants report should be considered and presented to the CROP governing bodies next year.

- She expressed concern that if the 5% interim payment is made in 2004, it might be expected to be continued in future years.
- She asked whether it was envisaged that the CROP governing bodies would all have to agree to the report.
- Kiribati did not agree to accept the proposal for the 5% interim payment in 2004, because the delegation had not had sufficient time to study the consultants report, and was also concerned a decision might pre-empt the outcome of the CROP working group deliberations.

167. The Representative of Papua New Guinea made the following points:

- Papua New Guinea would go along with the recommendations of the proposed CROP working group.
- Papua New Guinea would accept the proposal for the 5% interim payment in 2004, noting that it would be absorbed within the Secretariat's budget.
- The benchmarking should not be confined to the APS alone.

168. The Representative of Wallis and Futuna:

- States that the current dilemma showed the limitations of taking into account the APS as a sole indicator.
- Stresses that SPC must have regional specialists and that salaries must be attractive while staying at a reasonable level.
- Asks if the interim payment will become a personal adjustment after 2004.
- Wonders about the impact of this decision on other CROP agencies.
- Also wonders about the future impact on member contributions.
- Is therefore of the opinion to wait for the report of the CROP Working Group.

169. The Representative of Tuvalu made the following points:

- Tuvalu looked at the recommendations with caution, especially the recommendation for the 5% interim payment in 2004.
- The report would be sent to the Tuvalu government for consideration and approval, so the delegation was not in a position to commit to approval of the recommendations, including the 5% interim payment in 2004.
- He added that Tuvalu would probably support the consensus decisions.

170. The Representative of Cook Islands made the following points:

- Cook Islands would agree to all the proposed recommendations.
- However, Cook Islands shared the concerns about the APS benchmark, preferring that the basket of relevant salary scales be considered.
- APS and SPC salaries should be compared on an after-tax basis.

171. The Representative of the United States made the following points:

- Due to late arrival of the report, the United States delegation had not received guidance from its government, and could not take a position on the proposal at this time.
- The question of benchmarks is somewhat irrelevant. Fundamentally, we need a salary scale that enables the Secretariat to recruit and retain staff of the quality they need.
- Not enough information has been provided to enable the meeting to determine whether or not the salary scale is adequate to attract the quality professional staff needed by SPC. It is essential to have data on such factors as response rates to recruitment notices, how many candidates decline offers of appointment, what is the staff turnover at SPC and so on.
- If a consensus decision is reached by this meeting to pay the 5% interim payment, the United States could not associate itself with that position because of insufficient time to consider the report.

172. The Representative of Tokelau made the following point:

- Tokelau supports the proposal to pay the 5% interim payment in 2004, given that the SPC budget is healthy and the amount can be absorbed within the current budget.

173. The Representative of American Samoa made the following points:

- American Samoa agreed to the 5% interim payment in 2004.
- The payment should also be made based on available funds in the 2004 budget.
- The term “bonus” is misleading if it is in fact an interim salary adjustment for one year, pending the outcome of the CROP working group deliberations.

174. The Representative of the United Kingdom made the following point:

- If a consensus decision is reached by this meeting to pay the 5% interim payment, the United Kingdom was not associated with that position because of insufficient time to consider the report.

175. The Representative of New Zealand:

- Said that New Zealand was prepared to support the consensus regarding the 5% bonus.
- Expressed concern about the long-term future of salary readjustments, given that increases in member contributions were unlikely.

176. The Representative of Fiji Islands:

- Supported the 5% interim payment to professional staff.
- Expressed concern that this might be setting a precedent for other CROP agencies that may not be in the same position as SPC to absorb this within budget.

177. The Director-General thanked CRGA for addressing this issue at this stage, recognising that the late submission of the report made it difficult to consider it fully, and provided the following clarification to the Committee:

- CROP agencies are dealing collectively with this issue and the proposed recommendation put to CRGA by the Secretariat was agreed on collectively by all CROP agencies;
- She noted the presence of other CROP agencies in the room and that the same matter and its impact on other CROP organisations would be discussed at the upcoming FOC meeting and by the respective governing councils;
- The Secretariat is recommending that the CROP Working Group be made up of the Suva-based missions with assistance from the CROP agencies and the group would elect its own chair at that meeting;
- It is the Secretariat's intention that the CROP Working Group, in considering the Mercer report, should address fully the concerns raised by the Committee, in particular with respect to SDRs impact and comparative benchmarks;
- The Secretariat will provide the necessary information relating to statistics on SPC staff recruitment and staff retention to the Working Group;
- She indicated that the Secretariat is of the opinion that all staff, whether support or professional, show a high degree of professionalism, and that the Secretariat has put into effect a performance management system rewarding staff on the basis of their performance, as was agreed three years ago by CROP;
- For 2004, the SPC budget has made provision for the payment of one-off bonuses to support staff based on performance;
- She agreed that the term "bonus" applied to the proposed adjustment could be misleading and that the Committee could refer to it as an interim pay adjustment for professional staff, pending the outcome of the reconvened CROP Working Group;

- By using the APS as the remuneration benchmark, the Secretariat and the reviewers had been following the instructions given by CRGA three years ago;
- The Secretariat suggested the figure 5% for the interim pay adjustment, as it is a means by which to address the gap and also because it was within budget, at no extra cost to members;
- The Secretariat is of the view that the salary adjustments should be put in place in early 2004, pending the outcome of the Working Group's report.

178. The Senior Deputy Director-General provided some useful background information on the harmonisation process. He said it was driven by the governing bodies and that it had led to the adoption of the APS as a suitable average benchmark that was neither too low to attract professionals nor too high for the SPC. He welcomed the suggestion that it was timely to reconsider the market comparators and the choice of the SDR as a base currency. He stressed in particular that the matter was not simply that the market had gone up but also that the SDRs had gone down, creating a substantial loss to staff salaries and leading to equivalent savings to the organisation. He stressed in particular the excellent performance of the organisation and its dedicated staff, in spite of significant salary losses.

179. The Committee noted the completion of the surveys of support staff terms and conditions and that no adjustments with material financial impact are necessary in either New Caledonia or Fiji Islands, but that maternity leave will be lengthened at SPC headquarters to bring this entitlement in line with local regulations.

180. The Committee also noted the completion of the Mercer review of Professional staff remuneration as part of the CROP harmonisation exercise. Noting that the Mercer review had been distributed late to CRGA, the Committee:

1. Endorsed the formal reconvening of the CROP Working Group on remuneration (consisting of the Suva-based missions with assistance from CROP agencies) to consider fully the findings of the Mercer report, paying particular attention to:
 - a. Appropriate future benchmarks such as a basket of comparators and not solely the Australian Public Service as comparator,
 - b. Remunerations that will attract and retain qualified professionals, using information and statistics on staff recruitment and retainment to be provided by the Secretariat and other CROP organisations;
2. Requested the Working Group to prepare a report for consideration by CROP governing bodies, including CRGA, in 2004.

181. The Committee, with the exception of the countries listed in paragraph 178, approved a one-off payment for professional staff salaries of 5% for 2004, pending the outcome of the Working Group report.

182. The Committee noted the reservations expressed by the Representatives of Australia, Kiribati, Niue, Tuvalu, the United Kingdom and the United States of America, who did not support the recommendation relating to the interim pay adjustment, as they had not been provided with enough time to fully consider the report at this stage.

AGENDA ITEM 8 - STAFF AND FINANCIAL REGULATIONS

183. SPC's Director of Corporate Services gave an overview of the issues contained within CRGA (33) Paper 8, regarding staff and financial regulations. He explained that the normal retirement age in SPC is sixty. He said that, pursuant to Staff Regulation 26, the Director General had confirmed the extension of the retirement age for six employees who were or would soon be sixty. This extension was made due to the exceptional nature of their qualifications and the level of service they provide to SPC. He gave an overview of the application of a Market Allowance to the salaries of professional staff in the Translation and Interpretation Section, which he indicated was necessitated by the high international demand for these services. The Secretariat invited the Committee to note these actions.

184. The Representative of the United States inquired how frequently the Market Allowances would be reviewed, and asked if the application of these adjustments was permanent.

185. The Director of Corporate Services replied that the application of Market Allowances to professional positions in the Translation and Interpretation Section was essentially permanent, but indicated that SPC would continue to test the market on a periodic basis. He also observed that SPC faced a unique situation in the region, and was the only CROP organisation that provided interpretation and translation services.

186. The Representative of the United States encouraged SPC to regularly review these Market Allocations, and this recommendation was noted by the Committee.

187. The Representative of Samoa acknowledged the clear presentation made by the Secretariat, and inquired whether the age limit of 60 years was currently stipulated within the job announcements posted by SPC for vacant positions. He observed that while he had no objection to the appointment of someone who was nearing the retirement age, he believed the reappointment of an individual who was past retirement age was a different issue. He also noted that both the UN and Commonwealth Secretariat have age limitations.

188. The Director-General indicated that recruitment notices do not presently mention the 60-year age limit. She reminded the Committee that the Secretariat had asked CRGA to reconsider the age limit policy at a previous meeting, and noted that the existing policy did impose an age limit, but also gave the Director-General discretion in the implementation of the policy, under exceptional circumstances. She indicated that SPC considered merit to be the primary criteria in the hiring of staff, and said that at present all applicants are considered, regardless of age. If the best candidate was close to or over the age of 60, then they would be appointed as an exceptional case, which is allowed under the current regulations.

189. The Representative of Niue thanked SPC for the clear and direct presentation, and recommended that actions be adopted as presented.

190. The Representative of Kiribati asked for clarification regarding what action would be taken on the contracts in question when they ended. The Director-General explained that staff on three-year contracts could be considered for re-appointment after three years, based on their performance. She said that positions are readvertised after six years, with incumbents welcome to reapply.

191. The Representative of Solomon Islands thanked SPC for the straightforward presentation. He recognised the need for the Director-General to have some discretion in appointing staff over the age of 60, but was concerned that the number of exceptional cases was high, and encouraged the Secretariat to ensure that the number of exceptions not be too great. He also noted his view that Market Allowances be awarded to individuals rather than positions, and requested that SPC examine its practice to ensure that the allowances are assigned for the purpose intended by the Committee.

192. The Representative of American Samoa asked for clarification regarding the determination of which positions received Market Allowances, pursuant to Staff Rule 3.8, and inquired how it affected the recruitment process.

193. The Director General explained that the Staff Rules had been developed internally by SPC to put into effect the policies of CRGA and Conference. She said that the Market Allowance provision does not identify in advance those positions where an allowance can be applied, but rather this was determined based on the international market for certain staff. She indicated that the issue of recruitment of interpreters and translators continued to be one of concern, and explained that the Market Allowance had been applied because of a downgrading of these positions following a job-sizing process. She noted that the effect of applying the Market Allowances had been simply to retain the salary levels of Translation and Interpretation Section professional staff at their former levels, and said that if salaries had been allowed to decline the organisation would have faced significant problems in retaining and recruiting qualified personnel.

194. The Representative of Cook Islands indicated his agreement with the proposed actions, and asked for clarification regarding the number of staff who had reached the age of sixty but were not deemed to be exceptional cases. In reply, the Director-General stated that the individuals mentioned in Paper 8 were those who were considered to be exceptional.

195. The Committee noted the staffing actions taken by the Secretariat as well as the recommendation by the Representative of the United States that market allocations be regularly reviewed.

196. The Committee requested the Secretariat to consider fully the implications of the age limit when making staffing decisions.

AGENDA ITEM 9 – AUDIT REPORTS, FINANCIAL YEAR 2002

197. The Director of Corporate Services introduced the Audit reports for 2002, contained within CRGA (33) Paper 9. The SPC Auditor provided a brief overview of the main findings, indicating that his firm was satisfied with SPC's financial statements. He also reviewed several recommendations that were presented in their management report (included as Annex B to Paper 9).

198. The Representative of New Zealand inquired regarding the timing of the audit, and asked if, in the future, it could be performed within 3-4 months of the close of the financial year. The Director-General stated that it was SPC's desire to move the timing of the audit forward.

199. The Representative of Australia noted that SPC's response to the auditor's management recommendations (Annex B2 to Paper 9) appeared satisfactory, and asked for clarification that suppliers statements were being acquired. The Director of Corporate Services replied that the suppliers concerned had been contacted, and assured the representative that the issue was being addressed.

200. The Committee accepted the SPC and Provident Fund Financial Statements and Auditor's Reports; the Auditor's Management Report, and the Secretariat's Response, and applauded SPC's "clean bill of health".

AGENDA ITEM 10 – YEAR 2003 BUDGET REVISION

201. The Director-General submitted the Year 2003 Budget Revisions, as outlined in CRGA (33) Paper 10, for the information of the Committee. She noted that the Director-General has the authority to make revisions to approved budgets during the course of the year, and indicated that the Core Budget revision for 2003 had taken place in July and August. She said that the most significant development had been the change in the value of the SDR as expressed in the local currencies in which SPC staff are paid, resulting in a drop in professional staff salaries of 9.1% in Noumea, and 5.5% in Suva. She noted that budget savings of some 243,000 CFP units had been realised as a result of this drop, and explained that these budgetary savings were re-allocated to identified areas of need elsewhere in the budget. She said that an additional savings of approximately 100,000 CFP units was anticipated by year's end, and that this money would be deposited in SPC's reserves. She asked that the Committee note Paper 10.

202. The Representative of the United States expressed appreciation to SPC for the presentation, but remarked that his country's budget specialists found the paper could have been more transparent. He indicated that program reallocations were not all clear, and suggested that a number of expenses that required a reallocation of funds should have been foreseen in the original budget. He asked that SPC adopt a more forward-looking view when preparing future budgets. He asked the Secretariat to refrain in the future from making substantial revisions to approved budgets, except under truly exceptional circumstances.

203. The representative from Australia agreed with the observations made by the representative from the United States. He asked if it would be possible to include actual expenditures with each budgeted line item.

204. The representative from Samoa asked if the projected savings identified in Paper 10 took into account members' arrears, and asked how the lost income represented by the arrears was being offset.

205. The Director-General indicated that the arrears budget was a separate item, and said that the yearly budget assumed receipt of full member contributions. She explained that there was no direct link between the projected surplus resulting from salary savings and member arrears.

206. The Committee noted the Revised 2003 Budget.

AGENDA ITEM 11 – YEAR 2004 BUDGET

207. The Director-General introduced CRGA (33) Paper 11, which provides an overview of the proposed 2004 budget. She pointed out that the budget had been prepared according to the directives of Conference, and that assessed contributions have remained constant since 2000. She noted that SPC's work programme was based on island members' priority needs, and from periodic technical meetings and direct consultation from visits to countries. She noted there had been a significant increase in resources in some programmes, especially the Public Health Programme, and said that in recent years, the Non-core Budget had increased significantly, reflecting the confidence of members. She drew the Committee's attention to several significant matters:

- that some projects were winding down, but that there was an overall increase in most programme areas.
- the administrative budget was 8.7%, which is well below the target of 10% that SPC sets for the organisation.
- the Secretariat had made further improvements to the budget format, which provides members with a clearer picture of staff costs and statistics. Another major improvement being the provision of key performance indicators.
- that SPC finances were quite healthy and sound.
- staff salaries accounted for 50% of SPC's total budget.
- the new SPC staff performance management system awarded bonuses, rather than permanent increments.
- a transfer of 168,000 CFP units from the general reserve to the three divisions. This money would go towards answering any unforeseen needs of island members.
- from beginning next year, all programme heads would be funded from SPC's Core Budget. She said these changes had no real financial implications and did not affect SPC's ability to deliver services.
- the shift from project to programme funding, which gives the Secretariat more flexibility and enables better budgetary planning.
- 20% of SPC's total budget comes from Australia, France and New Zealand through annual block grants. She also noted the addition of new non-member donors (e.g. Global Fund).

208. In conclusion, the Director-General stated that the proposed 2004 budget (32,113,120 CFP units) would meet the funding requirements for the coming year, and had been prepared in accordance with members' expressed priorities for SPC's work programme.

209. The Representative of Australia noted his country's appreciation that SPC was providing members with a more transparent budget format. He said that Australia supported the recommendation, but wished to note that staff salaries now accounted for approximately 50% of SPC's budget, and that the proposed budget included 20 new staff. He said that his country wanted to ensure that SPC exercised more care with regards to recruitment, particularly justifying the need for additional staff positions.

210. The Representative of Samoa indicated that his country agreed to the proposed budget, but noted a minor concern regarding increasing staffing levels. He queried whether presenting a very positive budget picture for the organisation might encourage some members not to make a determined effort to reduce and clear their arrears. He asked if consideration had been given to a one-time reduction in members' contributions, in light of the recorded budget surplus. He also asked for clarification regarding the means by which SPC offset members' arrears.

211. The Finance Manager responded that SPC adopted accrual accounting. With cash accounting income was recognised when funds were received, but under accrual accounting income is recognised when funds are due. He said that if countries do not pay their full contributions, this could lead to a situation in which reserves are overstated, and explained that for this reason SPC's auditors had suggested the establishment of a budget category for doubtful debts. He said that because the cash from arrears was not available to SPC, to maintain cash flow funds had to be substituted from other sources. He remarked that some donors (such as the EU) required that funds be maintained in separate accounts, but said that most monies received by SPC were deposited in a common account and then invested and spent according to the organisation's needs. In response to a query from the Representative of Samoa regarding the tracking of income and spending on individual projects, he clarified that the funds received from each donor are tracked separately, even though they may be deposited in a common account.

212. The Representative of Wallis and Futuna expressed appreciation to the Director-General for her clear presentation and for preparing documents that clearly showed the status of various programme budgets. He said that this helped him in understanding the difficulties faced by SPC in implementing its programmes. CRGA had been advised of the many important activities conducted by the Land Resources and Marine Resources Divisions, although their respective total budget allocations showed reductions for 2004 to the benefit of other programmes. He stated that it was important that SPC not further increase the percentage of its budget that is allocated to staff salaries, and suggested that it should possibly be capped at 50%, or perhaps reduced. He suggested that this might be referred to the reconvened CROP remuneration working group.

213. The Representative from Solomon Islands expressed his appreciation for the budget documents provided by the Secretariat, and noted the need for the budget to reflect the needs of the Secretariat as it delivers its services. He noted the need for reductions in some programmes and additional staff in others. He stated that the 2004 budget was an improvement over those submitted in previous years, and noted the request for a transfer of approximately 160,000 CFP units from reserves. He expressed his country's hope that these funds would be used productively, and that there would not be a negative impact on the financial security of the organisation. He suggested there might be a benefit in re-examining the currency used in SPC budgeting.

214. The Representative of Niue asked for clarification on p. 2, paragraph 10 (project management fees), inquiring if 3% was sufficient for to cover costs and services. Referring to paragraph 30 (transfer from reserves), she expressed her hope that the funds would be put to good use.

215. The Representative of New Zealand congratulated the Secretariat on keeping administrative costs low. She inquired whether any adjustments were necessary to the proposed 2004 budget to compensate for the 5% salary increase for SPC staff.

216. The Director-General, in response to the query from New Zealand, explained that the 2004 budget lines already contain a provision of 6-7%, which will offset the 5% salary increase. Responding to Niue's question about project management fees, she said that this was a welcome development in the budgeting of the organization. She noted it had been in place for some two to three years. She said the 3% levy on project and programme funding goes into the Core Budget to pay for increased demand for programme services. This requires an annual examination of programme services that are not fully funded, but this has enabled SPC to provide the increased services required. She added that the Secretariat will ensure that these funds flow to projects that are requested and needed. She said that PIFS had been listed as a contributor, but that the list also included funding partnership to reflect joint funding arrangements. The Director-General assured members that the figures for 2004 were realistic, and said that the non-core portion of the budget included only those funds that had been confirmed by donors; she indicated that if additional funds were forthcoming these would be included in a revised budget, but that such unconfirmed funds were not included in the budget presented to the Committee. In reference to the query from the Representative of Samoa concerning arrears, she commented that it was important for SPC to present an accurate picture of its funds, reserves, and overall budget. She reassured members that SPC was sound financially, but remarked that this should not be taken as an indication by members that the issue of arrears was not an important one, and did not lessen the need to address the matter.

217. The Representative of Cook Islands confirmed his country's support for the proposed budget, and encouraged SPC to reduce personnel costs in future budgets, stating his country's concern over the fact that staff costs accounted for some 50% of SPC's budget.

218. The Committee recommended the adoption of the proposed 2004 budget in the amount of 32,113,120 CFP units.

AGENDA ITEM 12 – EVALUATION OF THE DIRECTOR GENERAL (closed session)

(This session was held in camera, and the Committee's recommendation will be discussed at the Third Conference of the Pacific Community.)

**AGENDA ITEM 13 – THIRD MEETING OF CONFERENCE, 10-11 NOVEMBER 2003
(AGENDA)**

219. The Director-General referred the Committee to CRGA (33) Paper 13, which provides the agenda for Conference.

220. The Committee noted the agenda.

AGENDA ITEM 14 – CRGA 34 IN 2004 (VENUE AND MEETING CHAIRPERSON)

221. The Director-General informed CRGA that in accordance with the Rules of Procedure, the venue for CRGA 34 would be Noumea at SPC Headquarters, and that the Chairperson for CRGA 34 would be provided by Tonga, and the Vice-Chairperson provided by Tuvalu.

222. The Committee noted Paper 14, which states that the Chairperson for CRGA 34 would be provided by Tonga, and the Vice-Chairperson provided by Tuvalu.

AGENDA ITEM 15 – OTHER BUSINESS

223. The Chairperson asked the delegates if they had any other business to deal with.

224. The Representative of Samoa asked if any of the member countries had expressed interest in hosting the 2005 Conference, as Samoa was interested.

225. The Representative of Palau said that he was waiting for his Minister to make an official offer, but that in his absence he said Palau was seeking approval to host the 2005 Conference.

AGENDA ITEM 16 – ADOPTION OF THE REPORT

226. The Committee adopted its report as amended.

CLOSING

227. The Representative of the United States, speaking on behalf of the Committee, expressed appreciation to the Chairperson for doing an excellent job, and proposed a vote of thanks for his patience in guiding the Committee through its deliberations. The Committee applauded the Chairperson.

228. The Chairperson thanked the delegates for their hard work, and for their note of appreciation, saying that his country was honoured.

229. The Representative of the Federated States of Micronesia delivered the closing prayer.

ANNEX 1

SUMMARY OF DECISIONS

**THIRTY-THIRD MEETING OF
THE COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND
ADMINISTRATIONS**
(Lami, Fiji 5-7 November 2003)

AGENDA ITEM 1 – DIRECTOR-GENERAL’S REPORTS

The Director-General stressed that the organisational changes that have been implemented in recent years have, in her view, made SPC stronger and more relevant, and that it is living up to its reputation as a very open, transparent and “well-greased machine”. She remarked that SPC is guided by clear policies and systems that are continuously being refined, with very qualified and committed staff. CRGA noted with satisfaction that 2003 had been particularly productive.

The full text of her report is contained in the Director-General’s report on progress and achievements, with additional information in the progress report on the Corporate Plan 2003-2005, 1 and 1.1.

AGENDA ITEM 2 - SPC’S SECTORAL PROGRAMMES

The Marine Resources Division, Social Resources Division and Land Resources Division presented a summary of their achievements for 2003, reporting against corporate strategies and their own strategic plans and gave a picture of the development challenges faced by the region in the sectors of SPC’s work.

During the roundtable discussions, the Committee expressed appreciation to the Secretariat for the useful work of the SPC programmes in helping the region meet these challenges.

The full texts of the divisional presentations are available respectively as CRGA Papers 2.1, 2.2 and 2.3. These papers also contain the presentation of the Review of SPC Coastal Fisheries Programme and the Report of the Third Heads of Fisheries Meeting. (These texts, together with the MS Powerpoint presentations, are available on the companion CD-Rom to this report.)

AGENDA ITEM 3 - SPC’S SECTORAL MEETINGS

The Committee noted the Secretariat’s current policy on convening and financing sectoral meetings, as contained in CRGA (33) Paper 3.

AGENDA ITEM 4 - FORMULA FOR ASSESSED CONTRIBUTIONS

The Committee agreed to retain the current allocation for assessed contributions, with island members contributing 9.4% and donor countries contributing 90.6%.

The Committee approved the proposed formula for assessed contributions of island members for the next three years.

The Committee noted that the outcome of the consideration by PICT members of their assessed contributions was a very positive one and that their decision was to adopt the proposal by the Secretariat. The Committee thanked the members for their agreement, and particularly those members who agreed to higher assessed contributions in a show of solidarity true to the spirit of the Pacific.

The Committee noted that the five metropolitan member countries (donor members) had decided to maintain the current percentage split for the years 2004, 2005 and 2006. The meeting noted that the current metropolitan member contribution would need to be renegotiated at the next CRGA, if the metropolitan membership composition changed during this period.

Assessed contribution arrears

The Committee noted the concerns raised by the Secretariat relating to arrears by members. It further noted and welcomed the statements of commitment by members to meet these obligations to the organisation. The Committee encourages members with arrears to settle these as soon as possible.

The Committee endorsed the Secretariat's view that government arrears be treated as "sovereign debt", which would require no special provision.

The Committee agreed to bring the subject of arrears to the attention of Conference to ask Conference to formally request countries and territories to settle their arrears..

AGENDA ITEM 5 – DONOR HARMONISATION

The Committee noted the recent developments in the region in harmonising donor practices and the benefits these bring to SPC and expressed full appreciation to the governments of Australia, France and New Zealand for their ongoing support and commitment to SPC.

AGENDA ITEM 6 – REVIEW OF SPC FINANCE SECTION

The Committee noted the outcome of the external review of the Finance Section commissioned by the Secretariat, as well as the Secretariat's plan to implement the review recommendations as part of its commitment to continue to improve services to members.

AGENDA ITEM 7 – REVIEW OF CROP REMUNERATION ARRANGEMENTS

The Committee noted the completion of the surveys of support staff terms and conditions and that no adjustments with material financial impact are necessary in either New Caledonia or Fiji Islands, but that maternity leave will be lengthened at SPC headquarters to bring this entitlement in line with local regulations.

The Committee also noted the completion of the Mercer review of Professional staff remuneration as part of the CROP harmonisation exercise. Noting that the Mercer review had been distributed late to CRGA, the Committee:

1. Endorsed the formal reconvening of the CROP Working Group on remuneration (consisting of the Suva-based missions with assistance from CROP agencies) to consider fully the findings of the Mercer report, paying particular attention to:
 - a. Appropriate future benchmarks such as a basket of comparators and not solely the Australian Public Service as comparator,
 - b. Remunerations that will attract and retain qualified professionals, using information and statistics on staff recruitment and retainment to be provided by the Secretariat and other CROP organisations;
2. Requested the Working Group to prepare a report for consideration by CROP governing bodies, including CRGA, in 2004.

The Committee, with the exception of the countries listed in the following paragraph, approved a one-off payment for professional staff salaries of 5% for 2004, pending the outcome of the Working Group report.

The Committee noted the reservations expressed by the Representatives of Australia, Kiribati, Niue, Tuvalu, the United Kingdom and the United States of America, who did not support the recommendation relating to the interim pay adjustment, as they had not been provided with enough time to fully consider the report at this stage.

AGENDA ITEM 8 - STAFF AND FINANCIAL REGULATIONS

The Committee noted the staffing actions taken by the Secretariat (as outlined in CRGA Paper 8), as well as the recommendation by the Representative of the United States that market allocations be regularly reviewed.

The Committee requested the Secretariat to consider fully the implications of the age limit when making staffing decisions.

AGENDA ITEM 9 – AUDIT REPORTS – FINANCIAL YEAR 2002

The Committee accepted the SPC and Provident Fund Financial Statements and Auditor's Reports; the Auditor's Management Report, and the Secretariat's Response, and applauded SPC's "clean bill of health".

AGENDA ITEM 10 – YEAR 2003 BUDGET REVISION

The Committee noted the Revised 2003 Budget.

AGENDA ITEM 11 – YEAR 2004 BUDGET

The Committee recommended the adoption of the proposed 2004 budget in the amount of 32,113,120 CFP units.

AGENDA ITEM 12 – EVALUATION OF THE DIRECTOR GENERAL (closed session)

[This session was held in camera, and the Committee's recommendation will be discussed at the Third Conference of the Pacific Community.]

**AGENDA ITEM 13 – THIRD MEETING OF CONFERENCE, 10-11 NOVEMBER 2003
(AGENDA)**

The Committee noted the agenda for Conference, as per CRGA (33) Paper 13.

AGENDA ITEM 14 – CRGA 34 IN 2004 (VENUE AND MEETING CHAIRPERSON)

The Committee agreed that, in accordance with the Rules of Procedure, the venue for CRGA 34 would be Noumea at SPC Headquarters, and that the Chairperson for CRGA 34 would be provided by Tonga, and the Vice-Chairperson provided by Tuvalu.

AGENDA ITEM 15 – OTHER BUSINESS

The Committee invited members to inform Conference of their interest in hosting the 2005 Conference.

AGENDA ITEM 16 – ADOPTION OF THE REPORT

The Committee adopted its report as amended.

ANNEX 2

**THIRTY-THIRD MEETING OF THE COMMITTEE OF
REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Lami, Fiji, (5-7 November 2003))

LIST OF PARTICIPANTS

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Annex 3 – 2004 BUDGET